

**UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION**

**In the Matter of:**

**Robert DeMane**

**Former President of**

**Dollar Savings Bank  
Newark, New Jersey  
OTS No. 06755**

**OTS Order No.: AP 04-04**

**Dated: September 28, 2004**

**Re: OTS Case No. AP 04-01**

**CONSENT ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY**

WHEREAS, Robert DeMane ("DeMane") has executed a Stipulation and Consent to Issuance of an Order of Prohibition and Order of Assessment of a Civil Money Penalty ("Stipulation"); and

WHEREAS, DeMane, by his execution of the Stipulation, has consented and agreed, without admitting or denying the OTS Findings of Fact, to the issuance of this Consent Order of Assessment of a Civil Money Penalty ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. § 1818(i);

**NOW, THEREFORE, IT IS ORDERED THAT:**

1. DeMane shall pay to the OTS the sum of One Million Dollars (\$1,000,000), as follows:

- (a) Within ten (10) calendar days of the date of this Order, Demane shall pay to the OTS the sum of Five Hundred Thousand Dollars (\$500,000) by tendering an attorney trust account check or bank draft made payable to the order of the Treasurer of the United States.
- (b) Not later than December 1, 2004, DeMane shall pay to the OTS the

additional sum of Five Hundred Thousand Dollars (\$500,000) (the "Deferred Payment") by tendering an attorney trust account check or bank draft made payable to the order of the Treasurer of the United States.

Each check or bank draft and a copy of the Order shall be delivered, together with a cover letter stating the name of the financial institution, to the following address: Controller's Division, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552. A copy of each check or bank draft and each cover letter shall be sent by U.S. Mail, first class postage prepaid, to Bryan T. Veis, Special Counsel, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552.

2. Within five (5) calendar days of the date of this Order, DeMane shall provide written proof to OTS that he has on deposit in the trust account of his counsel the sum of Five Hundred Thousand Dollars (\$500,000) as security for the Deferred Payment. Such written proof shall include an acknowledgement by DeMane's counsel of the terms of this Order and requirements of this paragraph regarding the disposition of the funds on deposit (the "Deferred Payment Security") in the event of DeMane's failure to make the Deferred Payment. The Deferred Payment Security shall remain on deposit in the trust account of DeMane's counsel until the Deferred Payment has been made; *provided, however*, that DeMane may satisfy his obligation to make the Deferred Payment by causing his counsel to pay the Deferred Payment Security directly to the OTS; and *provided further*, that if DeMane shall fail to make the Deferred Payment by the date required in paragraph 1(b), DeMane's counsel shall, upon written notice from OTS of such failure, pay the Deferred Payment Security to OTS in satisfaction of DeMane's obligation to make the Deferred Payment. Any payment of the Deferred Payment

Security by counsel shall be made in the manner described in paragraph 1 above. If DeMane should fail to provide proof of the deposit of the sum of Five Hundred Thousand Dollars (\$500,000) as directed in this paragraph, then the Deferred Payment shall be immediately due and payable. Upon DeMane's satisfaction of his obligation under paragraph 1(b) above, DeMane and his counsel shall have no further obligation to OTS under this paragraph.

3. This Order is subject to the provisions of Section 8(j) of the Federal Deposit Insurance Act, 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. The Stipulation and this 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.

6. The Notice of Charges and Notice of Hearing for Cease and Desist Order to Direct Restitution and Other Affirmative Relief and Notice of Assessment of Civil Money Penalties filed against DeMane, OTS Order No. AP 04-01, dated February 13, 2004, is dismissed as against DeMane, but not as against any other respondent.

7. The Temporary Order to Cease and Desist filed against DeMane, OTS Order No. AP 04-02, dated February 13, 2004, is terminated.

**OFFICE OF THRIFT SUPERVISION**

By:   
Robert C. Albanese  
Northeast Regional Director

**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

**In the Matter of:** )

**Robert DeMane** )

**Former President of** )

**Dollar Savings Bank** )  
**Newark, New Jersey** )  
**OTS No. 06755** )

Re: OTS Order Nos.: AP 04-03  
and  
AP 04-04

Dated: September 28, 2004

Re: OTS Case No. AP 04-01

**STIPULATION AND CONSENT TO**  
**ISSUANCE OF AN ORDER OF PROHIBITION AND**  
**ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY**

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Robert DeMane ("DeMane"), former President of Dollar Savings Bank, Newark, New Jersey ("Dollar" or the "Institution") that the OTS is of the opinion that grounds exist to initiate an administrative prohibition proceeding and a civil money penalty assessment against DeMane pursuant to 12 U.S.C. § 1818(e) and (i);<sup>1</sup> and

WHEREAS, DeMane desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist and without any adjudication on the merits, but admitting the statements and conclusions in Paragraph 1 below, and subject to Rule 408 of the Federal Rules of Evidence, hereby stipulates and agrees to the following terms:

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<sup>1</sup> All references in this Stipulation and Consent to Issuance of an Order of Prohibition and Order of Assessment of a Civil Money Penalty ("Stipulation") are to the United States Code as amended.

On February 13, 2004, OTS issued a Notice of Charges and Notice of Hearing for Cease and Desist Order to Direct Restitution and Other Affirmative Relief and Notice of Assessment of Civil Money Penalties, OTS Order No. AP 04-01, and a Temporary Order to Cease and Desist, OTS Order No. AP 04-02, against DeMane.

## **1. Jurisdiction.**

(a) Dollar, at all times relevant hereto, was a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, Dollar was an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) DeMane, as the former President of Dollar, is an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within 6 years of the date hereof. *See* 12 U.S.C. § 1818(i)(3).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an enforcement proceeding against a savings association's institution-affiliated parties. Therefore, DeMane is subject to the authority of the OTS to initiate and maintain administrative prohibition and civil money penalty proceedings against him pursuant to 12 U.S.C. § 1818(e) and (i).

## **2. OTS Findings of Fact.**

The OTS finds that:

(a) Demane violated laws and regulations and engaged in unsafe and unsound practices, while serving as President of Dollar in that:

(i) From and after October 20, 1999, through the use of fictitious purchasers, DeMane acquired 100% of the stock of Dollar Bancorp, Inc. ("Bancorp"), the holding company of Dollar Savings Bank. DeMane retained 100% of the stock of Bancorp until in or after February 2003. DeMane's acquisition and retention of 100% of the stock of Bancorp violated 12 U.S.C. § 1817(j) and 12 C.F.R. § 574.3(a) & (b); and

(ii) From and after October 20, 1999 through February 2003, DeMane failed to disclose the full extent of his ownership of Bancorp stock, in violation of 12 C.F.R. §§ 574.5, 574.6.

(b) By his conduct, DeMane prejudiced the interests of the Dollar's depositors,

and he received financial gain; and

(c) DeMane's actions involved personal dishonesty or willful or continuous disregard for the safety and soundness of Dollar.

### **3. Consent.**

DeMane consents to the issuance by the OTS of the accompanying Consent Order of Prohibition and the accompanying Consent Order of Assessment of a Civil Money Penalty ("the Orders"). DeMane further agrees to comply with the terms of the Orders upon issuance and stipulates that the Orders comply with all requirements of law.

### **4. Finality.**

The Orders are issued by the OTS under the authority of 12 U.S.C. § 1818(e) and (i). Upon their issuance by the Regional Director or designee for the Northeast Region, OTS, the Orders shall be final, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(e) and (i).

### **5. Waivers.**

DeMane waives the following:

- (a) The right to be served with a written notice of the OTS's additional charges against him;
- (b) The right to an administrative hearing of the OTS's charges against him;
- (c) The right to seek judicial review of the Orders, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise, to challenge the validity of the Orders; and
- (d) Any and all claims against the OTS, including its employees and agents, or any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter or the Orders, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412.

### **6. Indemnification.**

DeMane shall neither cause nor permit Dollar or any holding company, subsidiary, or

service corporation thereof to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Orders. Nor shall DeMane obtain any indemnification (or other reimbursement) from Dollar or any holding company, subsidiary, or service corporation thereof with respect to any amounts paid for restitution, reimbursement, or penalties. Any such payments received by or on behalf of DeMane in connection with this action shall be returned to the receiver of Dollar (if Dollar made such payment) or the holding company, subsidiary, or service corporation that made such payment.

**7. Other Government Actions Not Affected.**

(a) DeMane acknowledges and agrees that his consent to the issuance of the Orders is for the purpose of resolving any and all claims or causes of action that the OTS has or may have against DeMane as of the effective date of the Orders and any and all claims or causes of action that DeMane has or may have against the OTS or its Director, employees, or agents as of the effective date of the Orders, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of DeMane that arise pursuant to the subject matter of this action or otherwise, and that may be or have been brought by any other government entity other than the OTS, including without limitation the United States Department of Justice; *provided, however*, that DeMane and OTS each acknowledge that the Federal Deposit Insurance Corporation, acting in its corporate capacity, but not as receiver for Dollar, has provided assurances with respect to certain potential claims against DeMane in the form of a letter, a copy of which is attached hereto as Exhibit A.

(b) By signing this Stipulation, DeMane agrees that he will not assert this proceeding, his consent to the issuance of the Orders, and/or the issuance of the Orders, 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 Federal or state governmental entity.

**8. Agreement for Continuing Cooperation**

DeMane agrees that, at the OTS's written request, without service of a subpoena, he will

provide discovery and will testify truthfully at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by OTS relating to Dollar or its institution-affiliated parties, except that DeMane does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If DeMane invokes his privilege against self-incrimination under the Fifth Amendment of the United States Constitution and the OTS obtains a grant of immunity pursuant to 18 U.S.C. § 6001 *et seq.*, DeMane agrees, consistent with any such grant of immunity, to provide discovery and to testify truthfully at any judicial, administrative, or investigative proceeding for which immunity is given.

#### **9. Acknowledgement of Criminal Sanctions**

DeMane acknowledges that this Stipulation and the Orders are subject to the provisions of 12 U.S.C. § 1818(j).

#### **10. Miscellaneous**

- (a) The construction and validity of this Stipulation and the Orders shall be governed by the laws of the United States of America;
- (b) All references to the OTS in this Stipulation and the Orders shall also mean any of the OTS' predecessors, successors, and assigns;
- (c) The section and paragraph headings in this Stipulation and the Orders are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Orders;
- (d) The terms of this Stipulation and the Orders 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; and
- (e) This Stipulation and the Orders shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative;
- (f) The Notice of Charges and Notice of Hearing for Cease and Desist Order to

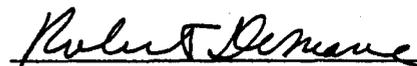
Direct Restitution and Other Affirmative Relief and Notice of Assessment of Civil Money Penalties filed against DeMane, OTS Order No. AP 04-01, dated February 13, 2004, shall be dismissed as against DeMane, but not as against any other respondent; and

(g) The Temporary Order to Cease and Desist filed against DeMane, OTS Order No. AP 04-02, dated February 13, 2004, shall be terminated.

**WHEREFORE**, DeMane executes this Stipulation and Consent to Issuance of an Order of Prohibition and Order of Assessment of a Civil Money Penalty, intending to be legally bound hereby.

By:

Accepted by:  
Office of Thrift Supervision

  
Robert DeMane

  
Robert C. Albanese  
Northeast Regional Director

Dated: Sept. 14, 2004

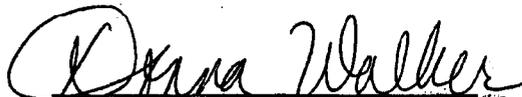
Dated: 9/28/04

#### ACKNOWLEDGMENT

State of New Jersey

County of Passaic

On this 14 day of September, 2004, before me, the undersigned notary public, personally appeared Robert DeMane and acknowledged his execution of the foregoing Stipulation and Consent to Issuance of an Order of Prohibition and Order of Assessment of a Civil Money Penalty.

  
Notary Public

My Commission expires: DONNA WALKER  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 5/16/2006

