

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)

Re: Order No. NE97-14

GEORGE J. PICCOLI, JR.,)

Dated: October 24, 1997

a Former Employee of)
St. Edmond's Federal Savings Bank,)
Philadelphia, Pennsylvania)
_____)

**STIPULATION AND CONSENT TO THE ISSUANCE OF AN
ORDER TO CEASE AND DESIST AND ORDER ASSESSING CIVIL MONEY PENALTIES**

This Stipulation and Consent to the Issuance an Order to Cease and Desist and Order Assessing Civil Money Penalties ("Stipulation") is made by GEORGE J. PICCOLI, JR., for consideration and acceptance by the Office of Thrift Supervision ("OTS").

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, has informed GEORGE J. PICCOLI, JR., who at all relevant times was an employee of St. Edmond's Federal Savings Bank, Philadelphia, Pennsylvania ("St. Edmond's Federal"), that grounds exist to initiate administrative cease-and-desist and civil money penalty proceedings against him pursuant to 12 U.S.C. §§ 1818(b) and 1818(i)(2);¹ and

WHEREAS, GEORGE J. PICCOLI, JR. desires to cooperate with the OTS and to avoid the time and expense of such administrative proceedings and, without admitting or denying that such grounds exist, or the Findings of Fact or opinions and conclusions of the OTS, except as to Jurisdiction (paragraph 1, below), which is admitted, hereby stipulates and agrees to the following:

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

1. Jurisdiction. (a) St. Edmond's Federal is a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) GEORGE J. PICCOLI, JR., at all relevant times was employed as a customer service representative of St. Edmond's Federal, and is an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years of the date hereof. *See* 12 U.S.C. § 1818(i)(3).

(c) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal banking agency" to maintain administrative proceedings against such a savings association or its institution-affiliated parties. Therefore, GEORGE J. PICCOLI, JR. is subject to the jurisdiction of the OTS to initiate and maintain administrative proceedings against him pursuant to 12 U.S.C. §§ 1818(b) and 1818(i)(2). The Director of the OTS has delegated to the Regional Director of the Northeast Region of the OTS or his designee ("Regional Director") the authority to issue orders where the individual subject to the order has consented to its issuance.

2. OTS Findings of Fact. The OTS finds that:

GEORGE J. PICCOLI, JR., on numerous occasions during November 1994 through March 1996, provided special treatment to a person who is an accountholder at St. Edmond's Federal (the "Customer"). On several occasions GEORGE J. PICCOLI, JR. opened certificates of deposit for the customer in a manner that was not in accord with the policies and procedures of St. Edmond's Federal. On ten different days during the aforementioned period, GEORGE J. PICCOLI, JR. caused St. Edmond's Federal to accept from the Customer (or his agents) cash deposits of more than \$10,000, and on each of these occasions the funds were deposited into five separate accounts owned

or controlled by the Customer. Due to the manner in which GEORGE J. PICCOLI, JR. handled the aforesaid cash deposits, he is responsible for causing St. Edmond's Federal Savings Bank to fail to file currency transaction reports about said cash deposits, which reports are required by 31 C.F.R. § 103.22(a).

3. Consent. GEORGE J. PICCOLI, JR. consents to the issuance by the OTS of the accompanying Order to Cease and Desist and Order Assessing Civil Money Penalties ("Order"). GEORGE J. PICCOLI, JR. further agrees to comply with the terms of the Order upon issuance, and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued pursuant to 12 U.S.C. §§ 1818(b) and 1818(i)(2). Upon its issuance by the OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers. GEORGE J. PICCOLI, JR. waives the following:

- (i) the right to be served with a written notice of the OTS's charges against him as provided by 12 U.S.C. §§ 1818(b) and 1818(i)(2);
- (ii) the right to an administrative hearing of the OTS's charges against him as provided by 12 U.S.C. §§ 1818(b) and 1818(i)(2);
- (iii) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;
- (iv) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this

OTS enforcement matter and/or the Order, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412; and

- (v) the right to assert that issuance of the Order or the civil money penalty assessed thereby in any manner provides a basis for a claim by him of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

6. Indemnification Limitations. GEORGE J. PICCOLI, JR. represents that he has not received, directly or indirectly, any sums from St. Edmond's Federal for the purpose of indemnifying or reimbursing him for any expenses incurred by him in connection with the OTS investigation relating to the issuance of the Order. GEORGE J. PICCOLI, JR. shall neither cause nor permit St. Edmond's Federal (or any successor institution, holding company, subsidiary or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional services rendered to GEORGE J. PICCOLI, JR. relative to the negotiation and issuance of the Order, nor obtain any indemnification (or other reimbursement) from St. Edmond's Federal (or any successor institution, holding company, subsidiary or service corporation thereof) with respect to such expenses. In the event that any such payments are received by or on behalf of GEORGE J. PICCOLI, JR. in connection with this action, GEORGE J. PICCOLI, JR. agrees promptly to notify the OTS of the receipt of such payments and to return such payments without delay to St. Edmond's Federal (or any successor institution, holding company, subsidiary or service corporation thereof).

7. Scope of Release; Other Governmental Actions Not Affected.

(a) Upon the OTS's issuance of the accompanying Order, following the OTS's acceptance of this Stipulation executed by GEORGE J. PICCOLI, JR., the OTS does hereby forever

release and discharge GEORGE J. PICCOLI, JR. from all potential claims and charges that have been or might have been asserted by the OTS based on the alleged violations and unsafe or unsound practices summarized in the Findings of Fact set forth at paragraph 2 of this Stipulation. GEORGE J. PICCOLI, JR. understands that the release provided by this paragraph is limited *solely* to administrative actions the OTS could take based on the above-alleged violations and unsafe or unsound practices summarized in the above OTS Findings of Fact, and does not extend to other matters such as allegations made by the Customer, which, *inter alia*, are the subject of a civil action commenced by the Customer.

(b) GEORGE J. PICCOLI, JR. acknowledges and agrees that his consent to the issuance of the Order is solely for the purpose of resolving certain potential OTS administrative enforcement charges as provided by paragraph 7(a) above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of GEORGE J. PICCOLI, JR. that arise pursuant to this action or otherwise and that may be or have been brought by the OTS or another governmental entity.

8. Representation as to Assets. It is understood that, as part of this settlement, the OTS has relied on GEORGE J. PICCOLI, JR.'s representations concerning his current financial condition, as set forth in a written statement of financial condition dated September 19, 1997, (on OTS Form 1571, "Statement of Financial Condition"), which has been signed by GEORGE J. PICCOLI, JR. In the event that any information included in the Statement of Financial Condition is found to be false or misleading with respect to any material fact (including but not limited to the failure to identify and/or accurately value any material asset), the OTS reserves the right to take any action authorized

by law, in the exercise of its discretion, including assessing civil money penalties under 12 U.S.C. § 1818(i), or to void this Stipulation and the Order, or take any other legal action.

9. 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;

(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 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; and

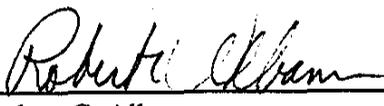
(e) This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

WHEREFORE, on this 16 day of October 1997, GEORGE J. PICCOLI, JR. executes this Stipulation, intending to be legally bound hereby.

Accepted on the date of the order by:
OFFICE OF THRIFT SUPERVISION



GEORGE J. PICCOLI, JR.

By: 

Robert C. Albanese
Regional Director, Northeast Region

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)

GEORGE J. PICCOLI, JR.,)

a Former Employee of)
St. Edmond's Federal Savings Bank,)
Philadelphia, Pennsylvania)
_____)

Order No. NE97- 14

Date: October 24, 1997

ORDER TO CEASE AND DESIST AND ORDER ASSESSING CIVIL MONEY PENALTIES

WHEREAS, GEORGE J. PICCOLI, JR. has executed a Stipulation and Consent to the Issuance of an Order to Cease and Desist and Order Assessing Civil Money Penalties ("Stipulation"); and

WHEREAS, GEORGE J. PICCOLI, JR., by his execution of the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist and Order Assessing Civil Money Penalties ("Order") pursuant to 12 U.S.C. §§ 1818(b) and 1818(i)(2).¹

WHEREAS, the Director of the Office of Thrift Supervision ("OTS") has delegated to the Regional Directors of the OTS the authority to issue Orders to Cease and Desist on behalf of the OTS where the institution-affiliated party who is the subject of the Order has consented to the issuance of the Order.

NOW, THEREFORE, IT IS ORDERED, pursuant to 12 U.S.C. §§ 1818(b) and 1818(i)(2),
that:

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

1. Compliance with Law and Regulations. GEORGE J. PICCOLI, JR. shall not violate or participate in any violations of 31 U.S.C. §§ 5313 and 5324 or of any regulation at 31 C.F.R. Part 103, including but not limited to 31 C.F.R. §§ 103.21, 103.22, and 103.27.

2. Compliance with Policies and Procedures. GEORGE J. PICCOLI, JR., whenever an employee or other institution-affiliated person of any savings association or other Bank (within the meaning of 31 C.F.R. § 103.11(c)), shall familiarize himself and comply in all respects with the employing Bank's policies and procedures concerning: (a) compliance with 31 U.S.C. § 5313 and 31 C.F.R. Part 103; (b) the handling and processing of currency and monetary instruments; and (c) the manner in which certificates of deposit and other deposit accounts are established.

3. Civil Money Penalties. Within five (5) business days of the date of this Order, GEORGE J. PICCOLI, JR. shall pay a civil money penalty in the amount of One Thousand Dollars (\$1,000.00) by delivering to the OTS a certified check, money order, or bank draft in said amount made payable to the order of the Treasurer of the United States. The check (or other appropriate form of payment) and a copy of this Order shall be delivered, together with a cover letter referring to St. Edmond's Federal Savings Bank (OTS Docket No. 2612), to:

Office of Thrift Supervision
Attn: Director, Planning, Budget & Finance Division
1700 G Street, N.W.
Washington, D.C. 20552.

Within the aforesaid five day period, GEORGE J. PICCOLI, Jr. also shall send a copy of the check (or other appropriate form of payment) and the above-mentioned cover letter by facsimile (or by reliable overnight delivery service) to: Steven A. Rosenberg, Esq., Office of Thrift Supervision, 10 Exchange Place, 18th Floor, Jersey City, New Jersey 07302; FAX No. (201) 413-5863.

4. Notice to OTS. GEORGE J. PICCOLI, JR., at least twenty (20) days prior to commencing new employment at any Bank (within the meaning of 31 C.F.R. § 103.11(c)), shall

provide written notice of such intended employment change to: (i) the Regional Director of the OTS's Northeast Regional Office at 10 Exchange Place, 18th Floor, Jersey City, New Jersey 07302; and (ii) the Regional Director of the Federal Deposit Insurance Corporation at 452 Fifth Ave., 19th Floor, New York, New York 10018. GEORGE J. PICCOLI, Jr. shall include the following information in such written notice: (i) the name and mailing address of the Bank that may or intends to hire him; (ii) his intended title and position description at the hiring Bank (including name of department, office, or branch where his work will be conducted); (iii) the name, address, and telephone number of the person who is the supervisor at the Bank department, office or branch; and (iv) a reference to this Order.

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

6. Responses to Requests. GEORGE J. PICCOLI, JR. shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

7. Effectiveness of Order. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. The 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.

OFFICE OF THRIFT SUPERVISION

By: 
Robert C. Albanese
Regional Director, Northeast Region

(sar:10.9)