

ORIGINAL

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of: )  
CORNELIUS BOTTOMLEY )  
Former Director and )  
Institution-Affiliated Party )  
of: )  
PLYMOUTH FEDERAL SAVINGS BANK )  
PLYMOUTH, MASSACHUSETTS )

RE: OTS Order No. NE96-2

Dated: January 10, 1996

STIPULATION AND CONSENT TO ENTRY OF A  
CEASE-AND-DESIST ORDER FOR AFFIRMATIVE RELIEF

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Cornelius Bottomley ("BOTTOMLEY"), former director and institution-affiliated party of Plymouth Federal Savings Bank, Plymouth, Massachusetts ("PLYMOUTH" or "the Institution"), that the OTS is of the opinion that grounds exist to initiate an administrative proceeding for affirmative relief against BOTTOMLEY pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b).<sup>1</sup>

WHEREAS, BOTTOMLEY 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

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

without any formal adjudication on the merits, but admitting the statements and conclusions in Paragraph 1 below, hereby stipulates and agrees to the following terms:

1. Jurisdiction. (a) PLYMOUTH, at all times relevant hereto, was a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b), and Section 2(5) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1462(5). Accordingly, PLYMOUTH was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) BOTTOMLEY, as a former director of PLYMOUTH, is deemed to be 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 the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties. Therefore, BOTTOMLEY is subject to the authority of the OTS to initiate and maintain a proceeding against him for affirmative relief pursuant to Section 8(b) of the FDIA, 12 U.S.C. § 1818(b).

2. Consent. BOTTOMLEY consents to the issuance by the OTS

of the accompanying Cease and Desist Order For Affirmative Relief ("Order"). BOTTOMLEY further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

3. Finality. The Order is issued by the OTS under the authority of Section 8(b) of the FDIA, 12 U.S.C. § 1818(b). 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).

4. Waivers. BOTTOMLEY waives the following:

(a) the right to be served with a written notice of the OTS's charges against him (see Section 8(b) of the FDIA);

(b) the right to an administrative hearing of the OTS's charges against him (see Section 8(b) of the FDIA); 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.

5. Indemnification. BOTTOMLEY shall neither cause or permit PLYMOUTH (or any successor institution, 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 Order, nor obtain any indemnification (or other reimbursement) from the Institution (or any successor institution, holding company, subsidiary or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of BOTTOMLEY in connection with this action shall be returned to PLYMOUTH (or the successor institution, holding company, subsidiary or service corporation thereof).

6. Other Government Actions Not Affected. (a) BOTTOMLEY acknowledges and agrees that the consent to the entry of the Order is for the purpose of resolving this action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of BOTTOMLEY that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

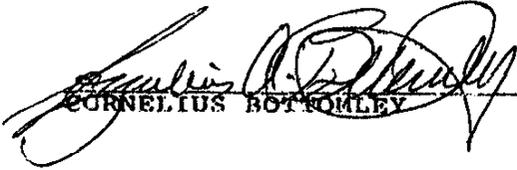
(b) By signing this Stipulation and Consent to Entry of a Cease-and-Desist Order for Affirmative Relief, BOTTOMLEY agrees that he will not assert this proceeding, his consent to the entry of the Order, and/or the entry of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice

or any other federal or state governmental entity.

WHEREFORE, BOTTOMLEY executes this Stipulation and Consent to Entry of a Cease-and-Desist Order for Affirmative Relief intending to be legally bound hereby.

By:

Accepted by:  
Office of Thrift Supervision

  
CORNELIUS BOTTOMLEY

  
ANGELO A. VIGNA  
REGIONAL DIRECTOR  
NORTHEAST REGIONAL OFFICE

Dated:

1/2/95  
/ 1/2/96 C.A.D

Dated:

1/10/96

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of:

CORNELIUS BOTTOMLEY

Former Director and  
Institution-Affiliated Party  
of:

PLYMOUTH FEDERAL SAVINGS BANK  
PLYMOUTH, MASSACHUSETTS

RE: OTS Order No. NE96-2

Dated: January 10, 1996

CEASE-AND-DESIST ORDER FOR AFFIRMATIVE RELIEF

WHEREAS, CORNELIUS BOTTOMLEY ("BOTTOMLEY") has executed a Stipulation and Consent to Entry of a Cease and Desist Order for Affirmative Relief ("Stipulation");

WHEREAS, BOTTOMLEY by his execution of the Stipulation, has consented and agreed to the issuance of this Cease and Desist Order for Affirmative Relief ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. §1818(b); and

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, finds that BOTTOMLEY attempted to use confidential information learned in his capacity as a director of Plymouth to negotiate with a borrower of PLYMOUTH at least in part for his own personal benefit. That conduct by BOTTOMLEY created a potential conflict of interest, constituted an

unsafe and unsound practice and caused or could have caused substantial losses for PLYMOUTH.

NOW THEREFORE, IT IS ORDERED that:

1. BOTTOMLEY shall cease and desist from any acts, omissions or practices that constitute a breach of fiduciary duty and from any unsafe or unsound practice as an institution-affiliated party within the meaning of 12 USC § 1813(u).

2. BOTTOMLEY shall provide written notice to Office of Thrift Supervision, Northeast Region, of his intent to become an institution-affiliated party. Such notice shall be sent to:

Lance D. Cassak  
Assistant Regional Counsel for Enforcement  
Enforcement/Litigation (East)  
Office of Thrift Supervision  
10 Exchange Place, 17th Floor  
Jersey City, New Jersey 07302

prior to BOTTOMLEY accepting any employment or position or undertaking any act that would make him an institution-affiliated party.

3. Upon becoming an institution-affiliated party within the meaning of 12 USC § 1818(u), BOTTOMLEY shall:

- a. obtain advice of competent counsel on his duties and responsibilities, both initially upon accepting such a position and when particular issues arise that may cause him to be uncertain about his duties and responsibilities;

- b. abstain from voting or participating in any manner on any proposals involving persons, corporations, business trusts, associations or similar entities of which BOTTOMLEY owns or controls any interests, directly or indirectly, individually or together with members of his immediate family;
- c. abstain from participating in any manner in any activity that would place him or any person or entity set forth in subparagraph (b) in a position or conflict, either real or perceived, with the interests of a federally insured financial institution as to which he is an institution-affiliated party. Such actions shall include, but are not limited to, using information obtained in the course of his responsibilities as an institution-affiliated party to pursue private opportunities and commencing in or engaging in negotiations on transactions for his own benefit; and
- d. in connection with any transaction submitted for approval to the board of directors of a federally insured depository institution of which BOTTOMLEY is a director or officer, make full disclosure of any and all actual, proposed or intended loans, investments, partnership interests, stock ownership, and any other business relationships of any kind that BOTTOMLEY or members of his immediate family may have with the party or parties with whom the proposed transaction is to be made.

4. BOTTOMLEY shall not violate, directly or indirectly, the conflict of interest regulations at 12 CFR §§ 563.40, 563.41, 563.42 or 563.43, the conflict of interest policy statement at 12 CFR § 571.7, the conflict of interest statutes at Section 23A, 23B and 22(h) of the Federal Reserve Act, 12 USC §§ 371c, 371c-1 and 375b, respectively, and the provisions of Section 10(d) and 11 of the Home Owners' Loan Act, 12 USC §§ 1467a(d) and 1468, respectively, as now in effect or as they may be hereafter amended or superseded.

5. BOTTOMLEY shall comply fully with and satisfy any consent judgment order of restitution or settlement entered into with the Resolution Trust Corporation.

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

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

8. This Order shall be and is effective on the date it is issued, as shown on the caption on the first page hereof, and shall remain effective 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 designee.

THE OFFICE OF THRIFT SUPERVISION  
By:

  
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ANGELO A. VIGNE  
REGIONAL DIRECTOR  
NORTHEAST REGIONAL OFFICE