

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

In the Matter of)	
GARY DUNN,)	Re: OTS Order No. NE96-4
)	
formerly an officer of)	Dated: February 20, 1996
FIRST FEDERAL BANK,)	
Waterbury, Connecticut)	
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STIPULATION AND CONSENT TO ISSUANCE OF CONSENT ORDER

This Stipulation and Consent to Issuance of Consent Order ("Stipulation"), concerning the accompanying CONSENT PROHIBITION ORDER ("Order"), is made by GARY DUNN, 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 Regional Director for the Northeast Region.

R E C I T A L S

WHEREAS, until December 20, 1994, GARY DUNN served as an Assistant Vice President of First Federal Bank, Waterbury, Connecticut, now known as Webster Bank (the "Bank") (OTS docket no. 13230), 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 in October 1994 GARY DUNN enriched himself at the Bank's expense by misappropriating bank funds;¹ and

WHEREAS, in view of the foregoing findings, the OTS is of the opinion that GARY DUNN violated federal law and breached his

1. In December 1994, Mr. Dunn paid restitution to the Bank in the amount of \$43,975.72.

fiduciary duty owed to the Bank, and by reason of such violation and breach GARY DUNN received financial gain or other benefit, and such violation and breach involved personal dishonesty or demonstrated willful or continuing disregard by GARY DUNN for the safety or soundness of the Bank; and

WHEREAS, the OTS has informed GARY DUNN that the OTS is of the opinion that the grounds exist to initiate an administrative proceeding against him for the issuance of an administrative prohibition order, pursuant to section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e);² and

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

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

1. Consideration. GARY DUNN, 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 Order in consideration for OTS forever releasing and discharging him from all potential administrative claims and charges that have been or might have been asserted by the OTS against him based on his actions relating or incident to the

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.

disbursement, on October 18, 1994, of \$43,974.16 from an REO trustee checking account at the Bank (check no. 1019), and subsequent deposit of those funds to an account controlled by GARY DUNN at another banking institution.

2. Jurisdiction.

(a) The Bank 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). The Bank 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) GARY DUNN was an officer of the Bank, and with respect to the Bank 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 his signing 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 GARY DUNN is subject to the jurisdiction and authority of the OTS to initiate and maintain administrative proceedings against him pursuant to section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

3. Consent. GARY DUNN consents to the issuance by the OTS of the Order, and agrees to comply with the terms of the Order. GARY DUNN 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 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) GARY DUNN voluntarily and knowingly waives: (i) his 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 him; (ii) his right, pursuant to 12 U.S.C. § 1818(e) and other federal law, to an administrative adjudicatory hearing of the OTS's charges against him; 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) GARY DUNN acknowledges and agrees that his consent to the OTS's issuance of the Order is intended solely for purposes of settling and resolving the OTS's administrative claims against him, 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 him that may be or have been brought by the OTS or any other government agency or entity.

(c) GARY DUNN 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.

6. Indemnification. GARY DUNN shall neither (i) cause or permit the Bank (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 the Bank (or any subsidiary or other affiliate thereof) with respect to any such Covered Expenses directly or indirectly incurred by him. Any such payments to cover Covered Expenses received by or on behalf of GARY DUNN shall be returned to the Bank. For purposes of this paragraph, "Covered Expenses" refers to any legal or other professional expenses incurred by GARY DUNN in connection with: (i) the OTS's inquiry concerning the activities of GARY DUNN at the Bank; and/or (ii) the negotiation of this settlement concluded by execution of this Stipulation and issuance of the Order.

7. Communications. All communications required or permitted to be sent by GARY DUNN to the OTS shall be sent to:

Angelo A. Vigna, Regional Director
Office of Thrift Supervision
Northeast Regional Office
10 Exchange Place, 18th Floor
Jersey City, New Jersey 07302

with a copy also sent to Steven A. Rosenberg, Senior Enforcement Counsel for the OTS, at the aforesaid address for the OTS's Northeast Regional Office, or such other addresses as may be the subject of written notice to GARY DUNN by the OTS.

8. Understanding about Financial Condition. It is understood that, as part of the settlement provided by this Stipulation, the OTS has agreed to refrain from including an assessment of civil money penalties in the Order, based on GARY DUNN's representations about his current financial condition, as set forth in a written statement of financial condition (on OTS Form 1571, the "Statement of Financial Condition"), which has been signed and submitted by GARY DUNN. 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, or if in connection with the Statement of Financial Condition GARY DUNN shall have omitted to state a material fact concerning any matter addressed in the Statement of Financial Condition, then, without limitation on other available remedies available under Federal law, the OTS may, in the exercise of its discretion, seek an assessment of civil money penalties against GARY DUNN in the manner provided by Federal banking law, notwithstanding the release at paragraph no. 1 of this Stipulation. In connection with any administrative proceeding or other litigation related to such an assessment of civil money penalties, GARY DUNN waives any right he may otherwise have to assert that he should not be deemed an institution-affiliated party subject to the OTS's jurisdiction, but no other waivers by GARY DUNN set forth in this Stipulation shall be applicable in such administrative litigation.

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 due to the operation of federal banking law, including any amendments thereto.

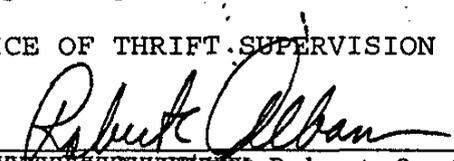
(c) The terms of this Stipulation represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters.

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

WHEREFORE, on this 30 day of January 1996, GARY DUNN executes this Stipulation, intending to be legally bound hereby.

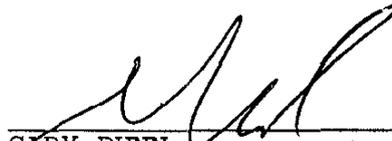
Accepted by:

OFFICE OF THRIFT SUPERVISION

By: 

~~XXXXXXXXXXXX~~ Robert C. Albanese
Acting Regional Director, Northeast Region

Date: February 20, 1996


GARY DUNN

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

In the Matter of)
GARY DUNN,)
formerly an officer of)
FIRST FEDERAL BANK,)
Waterbury, Connecticut)
_____)

OTS Order No. NE96-4
Dated: February 20, 1996

CONSENT PROHIBITION ORDER

WHEREAS, GARY DUNN is a former officer of First Federal Bank, Waterbury, Connecticut, now known as Webster Bank, which is a federally chartered savings association regulated by the Office of Thrift Supervision ("OTS"); and

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

WHEREAS, GARY DUNN, in the Stipulation, has consented and agreed to the OTS's issuance of this CONSENT PROHIBITION ORDER ("Order"); and

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

NOW THEREFORE, IT IS ORDERED, pursuant to section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e),¹ that:

1. GARY DUNN is prohibited from participating in any manner in the conduct of the affairs of Webster Bank, Waterbury, Connecticut, and any subsidiaries, service corporations or other

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

affiliates thereof, and GARY DUNN 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), GARY DUNN, 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. GARY DUNN 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, GARY DUNN 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