

{{6-30-99 p.C-4708}}

[¶11,610] **In the Matter of William E. Kerns, Northern Bank and Trust Company, Woburn, Massachusetts, Docket No. 98-071-e (4-8-99)**

Respondent prohibited from participating in the conduct of affairs of, or exercising voting rights in, any insured institution without the prior written approval of the FDIC.

[.1] Prohibition, Removal or Suspension—Prohibition From—Participation in Conduct of Affairs

[.2] Prohibition, Removal or Suspension—Prohibition From—Voting Rights, Exercise of

In the Matter of

WILLIAM E. KERNS,

Individually and as an

Institution-Affiliated Party of

NORTHERN BANK AND

TRUST COMPANY

WOBURN, MASSACHUSETTS

(Insured State Nonmember Bank)

ORDER OF PROHIBITION FROM FURTHER PARTICIPATION

FDIC-98-071-e

WILLIAM E. KERNS ("Respondent") has been advised of the right to receive a NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION ("NOTICE") issued by the Federal Deposit Insurance Corporation ("FDIC") detailing the violations, unsafe or unsound banking practices and breaches of fiduciary duty for which an ORDER OF PROHIBITION FROM FURTHER PARTICIPATION ("ORDER") may issue, and has been further advised of the right to a hearing on the alleged charges under section 8(e) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. §1818(e) and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. Having waived those rights, Respondent entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF PROHIBITION FROM FURTHER PARTICIPATION ("CONSENT AGREEMENT") with a representative of the Legal Division of the FDIC, whereby, solely for the purposes of this proceeding and without admitting or denying any violations, unsafe or unsound banking practices or any breaches of fiduciary duty, Respondent consented to the issuance of an ORDER by the FDIC.

The FDIC considered the matter and determined that it had reason to believe that:

(a) Respondent has engaged or participated in violations of law and/or regulation, unsafe or unsound banking practices, and/or breaches of fiduciary duty individually and as an institution-affiliated party of Northern Bank and Trust Company, Woburn, Massachusetts ("Bank");

(b) By reason of such violations, practices, and/or breaches of fiduciary duty, the Bank has suffered or will probably suffer financial loss or other damage, the interests of the Bank's depositors have been or could be prejudiced, and/or Respondent received financial gain or other benefit;

(c) Such violations, practices, and/or breaches of fiduciary duty, involve personal dishonesty on the part of Respondent or demonstrate Respondent's will and/or continuing disregard for the safety or soundness of the Bank.

The FDIC further determined that such violations, practices, and/or breaches of fiduciary duty demonstrate Respondent's unfitness to serve as a director, officer, person participating in the conduct of the affairs or as an institution-affiliated party of the Bank, any other insured depository institution, or any other agency or organization enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. §1818(e)(7)(A).¹

The FDIC, therefore, accepted the Consent Agreement and issues the following:

**ORDER OF PROHIBITION
FROM FURTHER PARTICIPATION**

1. William E. Kerns is hereby, without the prior written approval of the FDIC and the appropriate Federal financial regulatory agency, as that term is defined in section 8(e)(7)(D) of the Act, 12 U.S.C. §1818(e) (7) (D), prohibited from:

[.1] (a) participating in any manner in the conduct of the affairs of any financial institution or organization enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. §1818(e)(7)(A);

[.2] (b) soliciting, procuring, transferring, attempting to transfer, voting, or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any financial institution enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. §1818(e)(7)(A);

(c) violating any voting agreement previously approved by the appropriate Federal banking agency; or

(d) voting for a director, or serving or acting as an institution-affiliated party.

2. This ORDER will become effective ten (10) days after its issuance. The provisions of this ORDER will remain effective and enforceable except to the extent that, and until such time as, any provision of this ORDER shall have been modified, terminated, suspended, or set aside by the FDIC.

Pursuant to delegated authority.

Dated this 8th day of April, 1999.

¹Subsection (b)(8), as referenced in section (8)(7)(A)(ii), has been redesignated as subsection (b)(9).
