

{{3-31-95 p.C-1494}}

[¶10,341] **In the Matter of Essex Savings Bank, Essex, Connecticut, Docket No. FDIC-91-303b (9-24-91).**

Bank to cease and desist from such unsafe or unsound practices as operating with excessive volumes of adversely classified assets; following hazardous lending and lax collection practices; operating with inadequate capital; operating in violation of applicable laws or regulations; operating with management those policies are detrimental to the Bank; operating with inadequate loan documentation; engaging in practices with produce inadequate operating income; failing to provide adequate supervision over the Bank's affairs; operating with inadequate allowance for loan and lease losses; failing to submit Reports of Condition and Income in accordance with instructions; and operating with inadequate routine and controls policies. *(This order was terminated by order of the FDIC dated 1-24-95; see ¶ 15,957.)*

- [.1] **Management—Qualifications—Review**
- [.2] **Management—Management Plan—Minimum Requirements**
- [.3] **Board of Directors—Election—Outside Directors Added**
- [.4] **Allowance for Loan and Lease Losses—Establish/Maintain**
- [.5] **Capital—Tier 1 Capital—Increase/Maintain—Methods**
- [.6] **Loans—Risk Position—Reduce—Written Plan Required**
- [.7] **Loans—Extensions of Credit—Existing Borrowers—Curtail**
- [.8] **Loans—Overdue—Accrual of Interest**
- [.9] **Loan Policy—Written Revision—Minimum Requirements**
- [.10] **Profit Plan—Minimum Requirements**
- [.11] **Loans—Concentrations of Credit—Reduction Plan**
- [.12] **Violations of Law—Eliminate/Correct**
- [.13] **Compliance Reports—Frequency**

In the Matter of

**ESSEX SAVINGS BANK
ESSEX, CONNECTICUT
(Insured State Nonmember Bank)
ORDER TO CEASE
AND DESIST**

Essex Savings Bank, Essex, Connecticut ("Bank"), having been advised of its right to a Notice of Charges and of Hearing detailing the unsafe or unsound banking practices and violations of law and/or regulations alleged to have been committed by the Bank and of its right to a hearing on such alleged charges under section 8(b)(1) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b)(1), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") with counsel for the Federal Deposit Insurance Corporation ("FDIC"), dated September 17, 1991, whereby solely for the purpose of this proceeding and without admitting or denying any unsafe or unsound banking practices or violations of law and/or regulations, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC.

The FDIC considered the matter and determined that it had reason to believe that the Bank had engaged in unsafe or unsound banking practices and had violated laws and/or regulations. The FDIC, therefore, ac- {{11-30-91 p.C-1495}}cepted the CONSENT AGREEMENT and issued the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED that the Bank and its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. section 1813(u), cease and desist from the following unsafe or unsound banking practices and violations of law and/or regulations:

- (a) operating with an excessive volume of adversely classified assets;
- (b) engaging in hazardous lending and lax collection practices, including maintaining an excessive volume of adversely classified loans;
- (c) operating with inadequate Tier 1 leverage capital for the kind and quality of assets held;

- (d) engaging in violations of applicable laws and regulations;
- (e) operating with management whose policies and practices are detrimental to the Bank;
- (f) operating with deficient or inadequate loan documentation, including but not limited to current financial statements, insurance coverage, title searches or legal opinions, and cash flow and/or operating information;
- (g) engaging in practices which produce inadequate operating income and excessive loan losses;
- (h) failing to provide adequate supervision and direction over the affairs of the Bank to prevent unsafe or unsound practices and violations of law and/or regulations;
- (i) operating with an inadequate allowance for loan and lease losses for the volume, kind and quality of loans held;
- (j) failing to submit Reports of Condition and Income in accordance with prevailing instructions;
- (k) operating without proper internal routine and controls.

IT IS FURTHER ORDERED that the Bank and its affiliated parties, if any, take affirmative action as follows:

[.1] 1. (a) Within ninety (90) days from the effective date of this ORDER, the Bank shall have and retain qualified management. Each member of management shall have qualifications and experience commensurate with his or her duties and responsibilities at the bank. The qualifications of management shall be assessed on its ability to:

- (i) comply with the requirements of this ORDER,
- (ii) operate the Bank in a safe and sound manner,
- (iii) comply with applicable laws and regulations, and
- (iv) restore all aspects of the Bank to a safe and sound condition, including asset quality, capital adequacy, earnings, management effectiveness and liquidity.

During the life of this ORDER, the Bank shall notify the Regional Director of the Boston Regional Office ("Regional Director") and the Banking Commissioner of the Connecticut Banking Department ("Commissioner") in writing of any changes in management. The notification must include the names and background of any replacement personnel and must be provided prior to the individual's assuming the new position.

[.2] (b) In order to have acceptable management, within sixty (60) days from the effective date of this ORDER, the Board of Directors shall develop a written analysis and assessment of the Bank's management and staffing needs ("management plan"), which shall include, at a minimum:

- (i) identification of both the type and number of officer positions needed to manage and supervise properly the affairs of the Bank;
- (ii) identification and establishment of such Bank committees as are needed to provide guidance and oversight to active management;
- (iii) evaluation of each Bank officer, at the level of Vice President or above to determine whether these individuals possess the ability, experience and other qualifications required to perform present and anticipated duties, including adherence to the Bank's established policies and practices, and maintenance of the Bank in a safe and sound condition; and
- (iv) a plan of action to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications, which the Board of Directors determines are necessary to fill Bank officer or staff member positions consistent with the Board's analysis, evaluation and assessment as provided in paragraphs 1(b)(i) and 1(b)(iii) of this ORDER.

(c) The written management plan shall be submitted to the Regional Director and the Commissioner for review and comment. No sooner than thirty (30) days, but under no circumstances more than forty-five (45) days after such submission, the Board of Directors shall approve the written management plan, taking into consideration any regulatory comments, and such approval shall be recorded in the minutes of the Board of Directors. Subsequent modifications to the written management plan may be made only after giving the Regional Director and the Commissioner written notice of the proposed modification, and after consideration of any responsive comments submitted by the Regional Director and/or the Commissioner within thirty (30) days from their receipt of the notice of proposed modification. No such modification shall become effective until approved by the Board of Directors, and such approval shall be recorded in the minutes of the Board of Directors. The Bank, its directors, officers and employees shall implement and follow the written management plan and/or any subsequent modification thereto.

[.3] (d) (i) The written management plan shall also include the requirement that the Board of Directors of

the Bank, or a committee thereof consisting of not less than a majority of Board members who are independent with respect to the Bank, provide supervision over lending, investment and operating policies of the Bank sufficient to ensure that the Bank complies with the provisions of this ORDER.

(ii) At the next meeting of the nominating committee of the Bank, and at each succeeding meeting of that committee at which individuals are nominated for the office of trustee, the committee shall nominate individuals who are independent with respect to the Bank in such number as is necessary to cause a majority of the Board of Directors to be and to remain independent with respect to the Bank.

(iii) For purposes of this ORDER, an individual who is "independent with respect to the Bank" shall be any individual (1) who is not an officer of the Bank, (2) who is not related by blood, marriage or common financial interest to an officer of the Bank, and (3) who is not indebted to the Bank, directly or indirectly (including the indebtedness of any entity in which the individual has a substantial financial interest), in an amount exceeding five (5.0) percent of the Bank's total equity capital and allowance for loan and lease losses.

(e) The Bank's Board of Directors shall meet at least monthly. The Board shall prepare in advance and shall follow a detailed written agenda at each meeting, which shall include consideration of actions of any committees. A chronological file of all written agendas shall be maintained. Notwithstanding the foregoing, the Board shall not be precluded from considering matters other than those contained in the agenda. Detailed written minutes of all Board meetings shall be maintained and recorded on a timely basis.

[.4] 2. (a) Within ten (10) days from the effective date of this ORDER, the Bank shall increase its allowance for loan and lease losses existing as of December 31, 1990 by and establish a reserve for losses on real estate owned ("Reserves") as of December 31, 1990 of, in the aggregate, \$3,000,000 at a minimum.

(b) Immediately after complying with paragraph 2(a), the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" and fifty (50.0) percent of all assets or portions of assets classified "Doubtful" in the January 18, 1991 FDIC Report of Examination ("Examination"), which have not been previously collected or charged off. Reduction of these assets through use of proceeds of loans made by the Bank, other than to qualified third party borrowers, does not constitute "collection" or "elimination" for the purpose of this paragraph.

(c) Thereafter, the Bank shall maintain its Reserves in accordance with the prevailing requirements of the Instructions for the Reports of Condition and Income ("Instructions"). Toward this end, within sixty (60) days from the effective date of this ORDER, the Bank's Board of Directors shall establish a comprehensive policy for determining the adequacy of the Bank's Reserves. The policy shall establish a comprehensive policy for determining the adequacy of the Bank's Reserves. The policy shall provide for a review of the Reserves at least once each calendar quarter. The review should focus on the results of the Bank's internal loan review, loan loss experience, trends of delinquent and non-accrual loans, an estimate of potential loss exposure on significant credits, concentrations of credit, and present and prospective economic conditions. Review of other real estate and exposure therein shall be undertaken along the same lines as the aforementioned loan portfolio review. The adequacy of the Reserve will be reviewed by the Board of Directors and adjustments to the Reserve will be made accordingly. Details of these reviews will be incorporated into the minutes of the Board of Directors, including the methodology used to determine the adjustments made.

(d) Reports of Condition and Income required to be submitted by the Bank as of each Report date, as that term is used in the Instructions, between and including December 31, 1990 and the effective date of this ORDER, shall, at a minimum, reflect Reserves that should have been maintained in accordance with the Instructions. If necessary to comply with this paragraph 2(d), the Bank shall file amended Reports of Condition and Income within ten (10) days from the effective date of this ORDER.

(e) Prior to the submission of any Report of Condition or Report of Income required to be filed by the Bank after the effective date of this ORDER, the Board of Directors of the Bank shall: (1) review the adequacy of the Bank's Reserves, (2) provide for adequate Reserves, and (3) accurately report the Reserves in any such Report of Condition and Income. The minutes of the Board meeting at which such review is undertaken shall indicate the results of the review, including any increases in the Reserves, and the basis for determining the amount of allowance provided.

[.5] 3. (a) (i) The Bank shall have Tier 1 capital at or in excess of five and one-half (5.5) percent of the Bank's total assets ("Tier 1 leverage capital ratio") and shall continue to maintain its Tier 1 leverage capital ratio at or in excess of such level as calculated herein while this ORDER is in effect. Toward this end, the Bank shall develop a Capital Plan which will be submitted to the Regional Director and the Commissioner for approval within sixty (60) days from the effective date of this ORDER. The Capital Plan should address both internal and external sources of capital augmentation, including capital infusions,

retention of earnings, restrictions of asset growth and asset sales.

(ii) For purposes of this ORDER, the term "Tier 1 capital" means the sum of common stockholders' equity, noncumulative perpetual preferred stock (including any related surplus), undivided profits and surplus, and minority interests in consolidated subsidiaries, minus all intangible assets other than mortgage servicing rights (to the extent that such rights are allowable as capital in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325, as existing on the date of the issuance of the ORDER and as hereinafter amended), off balance sheet items classified loss, liabilities not shown on the Bank's books, estimated losses on contingent liabilities, differences in accounts which represent shortages, any other losses identified subsequent to the Examination which have either not been recognized on the Bank's books or have not been collected or otherwise settled, and investments in securities subsidiaries subject to 12 C.F.R. § 337.4.

(iii) For purposes of this ORDER, the term "total assets" means the average of total assets required to be included in the Bank's "Report of Condition and Income," as this report may from time to time be revised, as of the most recent report date (and after making any necessary subsidiary adjustments as described in 12 C.F.R. § 325.5(d) and (e) of the FDIC's Rules and Regulations in effect as of the date of the issuance of this ORDER), minus intangible assets other than mortgage servicing rights (to the extent that such rights are allowable as capital in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325, as existing on the date of the issuance of the ORDER and as hereinafter amended) and any other assets that are deducted in determining Tier 1 capital.

(b) In calculating the Bank's Tier 1 leverage capital ratio under paragraph 3(a) initially, the Bank shall first comply fully with paragraphs 2(a) and (b) of this ORDER. Thereafter, such ratio and its component parts shall be determined only after the Bank has made such additions to its Reserves so as to bring the Reserves into compliance with the prevailing requirements of the Instructions and charged off any losses identified subsequent to the Examination.

(c) Any increase in the Tier 1 leverage capital ratio made by the Bank in order to meet the requirements of paragraph 3(a) of this ORDER may be accomplished by:

- (i) the sale of new offerings of common stock or perpetual preferred stock;
- (ii) the direct contribution of cash by the directors of the Bank;
- (iii) the collection of all or part of assets classified "Loss" within the Examination without loss or liability to the Bank. Reductions to loans and leases classified "Loss" shall first be credited to the Bank's Reserves and, if the Board of Directors' review of the adequacy of the Reserves required by paragraph 2 of this ORDER indicates that such Reserve has a balance in excess of that required for adequacy, any such excess may be transferred to equity capital through a negative provision to the Reserves;
- (iv) the collection in cash of assets previously charged off;
- (v) any combination of the above means; or
- (vi) any other means acceptable to the Regional Director and the Commissioner.

(d) If, after having achieved the Tier 1 leverage capital ratio specified in paragraph 3(a)(i), such ratio declines below five and one-half (5.5) percent, the Bank, within thirty (30) days after the date on which said ratio so declined, shall submit a written plan to the Regional Director and the Commissioner for increasing such ratio up to or in excess of five and one-half (5.5) percent within one hundred and eighty (180) days after the approval by the Regional Director and the Commissioner of implementation of the plan. Thereafter, the Bank shall continue to maintain its Tier 1 leverage capital ratio at or in excess of such level as calculated herein while this ORDER is in effect. Upon approval by the Regional Director and the Commissioner, the Bank shall immediately implement the written plan.

(e) In addition to the requirements of paragraph 3(a)-(d), the Bank shall comply with the FDIC's Statement of Policy on Risk-Based Capital found in Appendix A to Part 325 of the FDIC Rules and Regulations, 12 C.F.R. Part 325, App. A.

(f) If all or part of any increase in capital made by the Bank in order to meet the requirements of this paragraph 3 involves an offering, other than an offering deemed not to be a public securities offering pursuant to 17 C.F.R. section 230.506 or as hereafter amended, of the Bank's securities (including a distribution limited only to the Bank's existing shareholders), the Bank shall prepare detailed offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and of this ORDER as well as the circumstances giving rise to the offering, and any other material disclosures necessary to comply with the Federal securities laws. Prior to the sale of the securities, and, in any event not less than twenty (20) days prior to the dissemination of such materials, the materials used in the sale of the securities shall be submitted to the FDIC, Registration and Disclosure Section, Washington, D.C. 20429, for review. Any changes requested to be made in the materials by the FDIC shall be made prior to their dissemination.

(g) In complying with the provisions of paragraph 3(f) of this ORDER, the Bank shall provide to any subscriber and/or purchaser of Bank stock, written notice of any planned or existing development or other change which is materially different from the information reflected in any offering materials used in connection with the sale of Bank securities. The written notice required by this paragraph 3(g) shall be furnished within ten (10) calendar days from the date such material development or change was planned or occurred, whichever is earlier, to every purchaser and/or subscriber of Bank stock who received or was tendered the information contained in the Bank's original offering materials.

(h) The Bank's Board of Directors shall maintain in its minutes a written record of all actions taken by the Bank to comply with the capital requirements of paragraphs 3(a) through 3(g) of this ORDER, including, at a minimum, any action to increase its Tier 1 capital by each of the methods specified in paragraphs 3(c)(i) through 3(c)(vi) of this ORDER.

[.6] 4. (a) Within thirty (30) days from the effective date of this ORDER, the Board of Directors shall develop a written plan of action to lessen the Bank's risk position with respect to each borrower who or which had outstanding principal debt owing to the Bank in excess of \$200,000 which was classified "Substandard" or "Doubtful," in whole or in part, as of January 18, 1991. In developing such plan, the Bank shall, at a minimum:

- (i) review the financial position of each such borrower, including source of repayment, repayment ability, and alternative repayment sources; and
- (ii) evaluate the available collateral for each such credit, including possible actions to improve the Bank's collateral position.

Based upon such review and evaluation, the written plan of action shall: (A) establish target dollar levels to which the Bank shall reduce the aggregate dollar volume of "Substandard" or "Doubtful" classifications within six (6) and twelve (12) months from the effective date of this ORDER; and (B) provide for the submission of written monthly progress reports to the Bank's Board of Directors for review and notation in the Board minutes. [Exhibit A provides the form for the progress report.] As used in this paragraph 5, "reduce" means to (1) collect, (2) charge off, or (3) improve the quality of such assets so as to warrant removal of any adverse classification by the FDIC and the State banking department. Payment of loans with the proceeds of the other loans made by the Bank, other than loans to qualified third party borrowers, will not constitute "reduction" or "collection" for purposes of this ORDER.

(b) The written plan of action described by paragraph 5(a) shall be submitted to the Regional Director and the Commissioner for review and comment. No sooner than thirty (30) days, but under no circumstances more than forty-five (45) days after such submission, the Board of Directors shall approve the written plan of action, taking into consideration any regulatory comments, and such approval shall be recorded in the minutes of the Board of Directors. Subsequent modifications to the written plan may be made only after giving the Regional Director and the Commissioner written notice of the proposed modification, and after consideration of any responsive comments submitted by the Regional Director and/or the Commissioner within thirty (30) days from their receipt of the notice of proposed modification. No such modification shall become effective until approved by the Board of Directors, and such approval shall be recorded in the minutes of the Board of Directors. The Bank, its directors, officers and employees shall follow the written plan of action and/or any subsequent modification thereto.

[.7] 5. The Bank shall not extend or renew, directly or indirectly, credit to, or for the benefit of, any borrower who has a loan or other extension of credit with the Bank that has been charged off or classified, in whole or in part, "Loss," "Doubtful," or "Substandard," and is uncollected, unless a majority of the Bank's Board of Directors first (1) determines that such advance is in the best interest of the Bank, (2) determines that the Bank has satisfied the requirements set out in paragraph 4 of this ORDER as to such borrower, and (3) approves such advance. A written record of the Board of Directors' determination and approval of any advance under the terms of this paragraph 5 shall be maintained in the credit file of the affected borrower(s) as well as the minutes of the Board of Directors.

[.8] 6. The Bank shall not accrue interest on any loan that is, or becomes, ninety (90) days or more delinquent as to principal or interest, unless the loan is both well secured and in the process of collection. For purposes of this paragraph 6, "well secured" and "in the process of collection" shall have the same meaning as those terms have in the prevailing Instructions for the Reports of Condition and Income. The Bank shall reverse on its books all previously accrued but uncollected interest on any loan that has ceased to accrue interest pursuant to this provision.

[.9] 7. (a) Within sixty (60) days from the effective date of this ORDER, the Bank shall revise its written loan policy, which revision shall include, at a minimum:

- (i) the lending authority of the loan officer;
- (ii) the lending authority of a loan or executive committee, if any;
- (iii) the responsibility of the Board of Directors in reviewing, ratifying and approving loans;
- (iv) the guidelines under which unsecured loans will be granted;
- (v) the guidelines for rates of interest and terms of repayment for unsecured loans and secured loans;
- (vi) with regard to secured loans: (1) limitations on the amount advanced in relation to the value of the collateral, and (2) the documentation required by the Bank for each type of secured loan;
- (vii) the maintenance and review of complete and current credit files on each borrower;
- (viii) appropriate and adequate collection procedures, including, but not limited to, the actions to be taken against borrowers who fail to make timely payments;
- (ix) guidelines establishing limitations on the maximum volume of loans in relation to total assets;
- (x) appropriate limitations on extension of credit through overdrafts and cash items;
- (xi) the determination and documentation of sources and terms of loan repayment;
- (xii) retention of lien searches and appraisals covering personal property and liens on real estate;
- (xiii) maintenance of written, individual loan file comments by officers;
- (xiv) provisions addressing the capitalization of accrued and unpaid interest on loans;
- (xv) procedures regarding designations of nonaccrual loans;
- (xvi) procedures for identifying, supervising, and collecting problem loans;
- (xvii) periodic review of the overdue, problem and/or adversely classified or special mention loans by the Board of Directors, so as to monitor management's administration of such distressed credits, and to provide guidance.

(b) The revised written loan policy shall be submitted to the Regional Director and the Commissioner for review and comment. No sooner than thirty (30) days, but under no circumstances more than forty-five (45) days after such submission, the Board of Directors shall approve the revised written loan policy, taking into consideration any regulatory comments, and such approval shall be recorded in the minutes of the Board of Directors. Subsequent modifications to the revised written loan policy may be made only after giving the Regional Director and the Commissioner written notice of the proposed modification, and after consideration of any responsive comments submitted by the Regional Director and/or the Commissioner within thirty (30) days from their receipt of the notice of proposed modification. No such modification shall become effective until approved by the Board of Directors, and such approval shall be recorded in the minutes of the Board of Directors. The Bank, its directors, officers and employees shall follow the revised written loan policy and/or any subsequent modification thereto.

[.10] 8. (a) Within sixty (60) days from the effective date of this ORDER, the Bank shall develop a written profit plan consisting of goals and strategies for improving the earnings of the Bank, which written profit plan shall include, at a minimum:

- (i) identification of the major areas in, and means by, which the Board of Directors will seek to improve the Bank's operating performance;
- (ii) realistic and comprehensive budgets;
- (iii) a budget review process to monitor the income and expenses of the Bank to compare actual figures with budgetary projections; and
- (iv) a description of the operating assumptions that form the basis for, and adequately support, major projected income and expense components.

(b) The written profit plan shall be submitted to the Regional Director and the Commissioner for review and comment. No sooner than thirty (30) days, but under
{{11-30-91 p.C-1501}}no circumstances more than forty-five (45) days after such submission, the Board of Directors shall approve the written profit plan, taking into consideration any regulatory comments, and such approval shall be recorded in the minutes of the Board of Directors. Subsequent modifications to the written profit plan may be made only after giving the Regional Director and the Commissioner written notice of the proposed modification, and after consideration of any responsive comments submitted by the Regional Director and/or the Commissioner within thirty (30) days from their receipt of the notice of proposed modification. No such modification shall become effective until approved by the Board of Directors, and such approval shall be recorded in the minutes of the Board of Directors. The Bank, its

directors, officers, and employees shall follow the written profit plan and/or any subsequent modification thereto.

[.11] 9. (a) Within sixty (60) days from the effective date of this ORDER, the Bank shall formulate and implement a plan to reduce real estate development, construction, and investment property concentrations as noted on page 2-b of the FDIC Report of Examination of the Bank as of January 18, 1991.

(b) Within sixty (60) days from the effective date of this ORDER, the Bank shall correct the cited deficiencies in the Internal Routine and Controls on pages 6-b of the FDIC Report of Examination of the Bank as of January 18, 1991.

[.12] 10. Within sixty (60) days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law and regulations committed by the Bank as described on pages 6 of the FDIC Report of Examination of the Bank as of January 18, 1991, to the extent to which it has not already done so.

[.13] 11. Within thirty (30) days from the effective date of this ORDER, and, thereafter, within thirty (30) days from the end of each calendar quarter, the Bank shall furnish written progress reports to the Regional Director and the Commissioner detailing the form and manner of any action taken to secure compliance with this ORDER and the results thereof. In addition, the Bank shall furnish such reports on request of either the Regional Director or the Commissioner. All progress reports and other written responses to this ORDER shall be reviewed by the Board of Directors of the Bank and made a part of the minutes of the Board meeting.

This ORDER shall become effective ten (10) days from the date of its issuance.

The provisions of this ORDER shall be binding upon the Bank and its institution-affiliated parties.

This ORDER has been reviewed and concurred in by the Commissioner.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this ORDER shall have been modified, terminated, suspended, or set aside by the FDIC.

Dated at Needham, Massachusetts this 24th day of September, 1991.

Pursuant to delegated authority.