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[¶11,661**] In the Matter of Michael P. Kwasniowski, Jr., South Adams Savings Bank, Adams, Massachusetts, Docket No. 99-053e (10-15-99)**

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

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

In the Matter of:
MICHAEL P. KWASNIOWSKI, JR.
Individually, and as
an institution-affiliated party of
SOUTH ADAMS SAVINGS BANK
ADAMS, MASSACHUSETTS
(Insured State Nonmember Bank)
ORDER OF PROHIBITION FROM
FURTHER PARTICIPATION
FDIC-99-053e

MICHAEL P. KWASNIOWSKI, JR., ("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/or 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) (1989), and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. Having waived those rights, the 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 purpose of this proceeding and without admitting or denying any violations, unsafe or unsound banking practices, and/or any breaches of fiduciary duty, the Respondent consented to the issuance of an ORDER by the FDIC.

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

(a) The Respondent has engaged or participated in violations, unsafe or unsound banking practices, and/or breaches of fiduciary duty individually, and as an institution-affiliated party of, South Adams Savings Bank ("Bank"), Adams, Massachusetts.

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

(c) Such violations, practices and/or breaches of fiduciary duty involve personal dishonesty on the part of the Respondent or demonstrate the Respondent's willful 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 the 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 §8(e)(7)(A) of the Act, 12 U.S.C. §1818(e)(7)(A).[1]

The FDIC, therefore, accepted the CONSENT AGREEMENT and issued the following:

ORDER OF PROHIBITION
FROM FURTHER PARTICIPATION

1. MICHAEL P. KWASNIOWSKI, is hereby, without the prior written approval of the FDIC and the appropriate Federal financial institutions 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 §8(e)(7)(A) of the Act, 12 U.S.C. §1818(e) (7)(A)[2],

[.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 §8(e)(7)(A) of the Act, 12 U.S.C. §1818(e)(7)(A);

(c) violating any voting agreement previ-

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

[2]See footnote 1 above.

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(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 15th day of October, 1999.