

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of:)	
)	
JONATHAN I. FELDMAN,)	Order No.: DC 11-014
)	
Senior Vice President and)	Effective Date: February 17, 2011
Institution Affiliated Party of)	
)	
Eastern Savings Bank)	
Hunt Valley, Maryland)	
OTS Docket No. 08183)	
_____)	

ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS)¹ is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against Jonathan I. Feldman (Feldman), Senior Vice President at Eastern Savings Bank, Hunt Valley, Maryland, OTS Docket No. 08183 (Association); and

WHEREAS, Feldman has executed a Stipulation and Consent to Issuance of Order to Cease and Desist (Stipulation); and

WHEREAS, Feldman, by execution of the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the OTS pursuant to 12 U.S.C. § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Deputy Director for Examinations, Supervision and Consumer Protection (Deputy Director) is authorized to

¹ “Office of Thrift Supervision” or “OTS” includes any successor regulatory body of the Office of Thrift Supervision.

issue Orders to Cease and Desist where an institution-affiliated party (IAP)² has consented to the issuance of an order.

NOW THEREFORE, IT IS ORDERED that:

Cease and Desist.

1. Feldman, while serving as an IAP of an insured depository institution,³ shall not engage in, participate in, counsel, or aid or abet in any violations of law and/or regulation, unsafe or unsound practice, and/or breach any fiduciary duty.

Corrective Actions.

2. Feldman shall successfully complete forty (40) hours of regulatory training per year while this Order is in effect. The initial forty (40) hours of regulatory training shall be completed within one year of the Effective Date of this Order, and each subsequent year's training requirement shall be completed by the anniversary of the Effective Date for that year for each year while this Order is in effect. Respondent shall select such training courses from a nationally-recognized third party vendor. The regulatory training must include at least ten (10) hours per year on the subject of best industry practices concerning business ethics for financial institution officers. Within thirty (30) days after completion of such training, Feldman shall send a course description and certificate of completion to the Deputy Director.

3. Effective immediately, Feldman, prior to embarking on new activities while serving as an IAP of an insured depository institution, shall inform and obtain a non-objection from the Deputy Director. Feldman shall file a copy of his current written

² The term "institution-affiliated party" is defined at within the meaning of 12 U.S.C. § 1813(u).

³ The term "insured depository institution" is defined at 12 U.S.C. § 1813(c)(2).

position description as of February 10, 2011 within five (5) days of the effective date of this Order. New activities are considered any activities not included in Feldman's written position description filed with OTS pursuant to this Order.

4. Effective immediately, Feldman, while serving as an IAP of an insured depository institution, shall not have sole lending authority in excess of Fifty-Thousand Dollars (\$50,000). Any loan(s) in excess of Fifty-Thousand Dollars (\$50,000) shall be reviewed and approved by another "senior executive officer," as that phrase is defined by 12 C.F.R. § 563.555, prior to final approval by the institution.

5. Feldman, while serving as an IAP of an insured depository institution, shall not participate as a voting member of any board of directors or loan committee of such insured depository institution.

Notifications.

6. Feldman shall provide a copy of this Order within five (5) days of receipt of the Order to the Association's chief executive officer and shall provide a copy of this Order to the board of directors at its next regularly scheduled board meeting. Feldman shall, within ten (10) days of each disclosure, provide written certification of his compliance with these disclosure obligations to the Deputy Director.

7. While this Order is in effect, Feldman shall, prior to accepting any position as an IAP of any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), provide the chief executive officer and the board of directors of such institution or agency with a copy of this Order. Within ten (10) days after his acceptance of any position from an institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), Feldman shall provide written notice of

such acceptance to the Deputy Director, together with a written certification of his compliance with this paragraph.

Restitution

8. Feldman shall pay restitution in the amount of Two-Hundred, Thirty-Thousand Dollars (\$230,000) to ESSA Bank & Trust, Stroudsburg, Pennsylvania, OTS Docket No. 01254, in the form of a certified check or bank draft made payable to the order of ESSA Bank & Trust. The certified check or bank draft shall be delivered to OTS by the Effective Date of this Order, for transmission to ESSA.

Compliance.

9. Feldman shall promptly respond to any request from the OTS for documents to demonstrate compliance with this Order.

Effective Date, Incorporation of Stipulation.

10. This Order is effective as of the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

Duration.

11. This Order shall remain in effect until terminated, modified, or suspended by written notice of such action by the OTS, acting by and through its authorized representatives.

Time Calculations.

12. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.

13. The Deputy Director, or an OTS authorized representative, may extend any of the deadlines set forth in the provisions of this Order upon written request by Feldman that

includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

14. All submissions, including any certifications and notices, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

15. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

(a) To the OTS:

Thomas A. Barnes
Deputy Director
Examinations, Supervision and Consumer Protection
Office of Thrift Supervision
1700 G Street, N.W.
Washington, DC 20552

(b) To Feldman:

Stuart M. Schabes, Esq.
Ober|Kaler
100 Light Street
Baltimore, MD 21202

16. Following the Transfer Date,⁴ all submissions, requests, communications, consents or other documents relating to this Order made by Feldman shall be directed to

⁴ See Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. Law No. 111-203, § 311, 124 Stat. 1520 – 21 (2010).

the Comptroller of the Currency, or to the individual, division, or office designated by the Comptroller of the Currency.

No Violations Authorized.

17. Nothing in this Order or the Stipulation shall be construed as allowing Feldman to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____ /s/ _____

Thomas A. Barnes
Deputy Director, Examinations, Supervision and
Consumer Protection

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
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In the Matter of)	Order No.: DC 11-014
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JONATHAN I. FELDMAN)	Effective Date: February 17, 2011
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Senior Vice President and)	
Institution-Affiliated Party of)	
)	
Eastern Savings Bank)	
Hunt Valley, Maryland)	
OTS Docket No. 08183)	
_____)	

STIPULATION AND CONSENT TO THE ISSUANCE OF AN
ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Deputy Director of Examinations, Supervision and Consumer Protection (Deputy Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Jonathan I. Feldman, (Feldman), Senior Vice President of Eastern Savings Bank, Hunt Valley, Maryland, OTS Docket No. 08183 (Eastern Savings Bank), that grounds exist to initiate an administrative cease and desist proceeding against him pursuant to 12 U.S.C. § 1818(b); and

WHEREAS, the Deputy Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where the individual has consented to the issuance of an order; and

WHEREAS, Feldman desires to cooperate with the OTS and to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to the Issuance of an Order to Cease and Desist (Stipulation) and, without admitting or denying that such grounds exist, or the Findings of Fact or opinions and conclusions of the OTS, but only admitting the statements and conclusions in Paragraphs 1, 2, 3, and 4 below concerning Jurisdiction, hereby stipulates and agrees to the following:

Jurisdiction.

1. Eastern Savings Bank is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, Eastern Savings Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. Feldman is a Senior Vice President of Eastern Savings Bank, and is an “institution-affiliated party” as defined in 12 U.S.C. § 1813(u) and served in such capacity within six (6) years of the Effective Date as shown on the first page (see 12 U.S.C. § 1818(i)(3)).
3. ESSA Bank & Trust, Stroudsburg, Pennsylvania, OTS Docket No. 01254, (ESSA), is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, ESSA is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
4. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative cease and desist proceeding against savings associations and institution-affiliated parties. Therefore, Feldman is subject to

the jurisdiction of the OTS to initiate and maintain an administrative cease and desist proceeding against him pursuant to 12 U.S.C. § 1818(b).

OTS Findings of Fact.

5. Feldman has been employed as a Senior Vice President at the Hunt Valley office of Eastern Savings Bank at all times pertinent to the events described herein. The OTS finds that Feldman, in his business dealings with ESSA, materially altered a loan document without the knowledge or consent of ESSA, such that the loan document no longer reflected the agreement of the parties, in the course of obtaining an extension of loans from ESSA.

6. Accordingly, pursuant to 12 U.S.C. § 1818(b), Feldman has engaged in unsafe or unsound practices in conducting the affairs of ESSA, an insured depository institution; and/or has recklessly violated a law, rule, or regulation; and/or has violated any condition imposed in writing by the OTS.

Consent.

7. Feldman consents to the issuance by the OTS of the accompanying Order to Cease and Desist (Order). Feldman further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

Finality.

8. The Order is issued by the OTS under 12 U.S.C. § 1818(b). Upon the Effective Date it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

9 Feldman waives the following:

- (a) the right to be served with a written notice of the OTS's charges against him as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing of the OTS's charges against him as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and
- (d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this the OTS enforcement matter and/or the Order, whether arising under common law, federal statutes or otherwise.

OTS Authority Not Affected.

10. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting Feldman if, at any time, the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

Other Governmental Actions Not Affected.

11. Feldman acknowledges and agrees that his consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 10 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way

affect any actions, charges against, or liability of Feldman that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

12. The laws of the United States of America shall govern the construction and validity of this Stipulation and the Order.

13. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Deputy Director in his or her sole discretion determines otherwise.

14. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

15. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

16. The terms of this Stipulation and the Order represent the final 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.

17. This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Deputy Director, or other authorized representative.

WHEREFORE, Feldman executes this Stipulation.

Accepted by:

JONATHAN I. FELDMAN

OFFICE OF THRIFT SUPERVISION

By: _____ /s/ _____
Jonathan I. Feldman

By: _____ /s/ _____
Thomas A. Barnes
Deputy Director, Examinations, Supervision
and Consumer Protection

Date: See Effective Date on page 1