

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)	STIPULATION AND CONSENT
UNITED ROOSEVELT SAVINGS BANK)	TO THE ISSUANCE OF
CARTERET, NEW JERSEY)	AN ORDER TO
(INSURED STATE NONMEMBER BANK))	CEASE AND DESIST
)	FDIC-07-003b

Subject to the acceptance of this STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") by the Federal Deposit Insurance Corporation ("FDIC"), it is hereby stipulated and agreed by and between a representative of the Legal Division of the FDIC and United Roosevelt Savings Bank, Carteret, New Jersey ("Insured Institution"), as follows:

1. The Insured Institution has been advised of its right to receive 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 Insured Institution and of its right to a hearing on the alleged charges under section 8(b)(1) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818 (b)(1), and has waived those rights.

2. The Insured Institution, solely for the purpose of this proceeding and without admitting or denying any of the alleged charges of unsafe or unsound banking practices, and any

violations of law and/or regulations, hereby consents and agrees to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC. The Insured Institution further stipulates and agrees that such ORDER shall be deemed to be a final ORDER and that such ORDER shall become effective immediately upon issuance by the FDIC and fully enforceable by the FDIC pursuant to the provisions of section 8(i)(1) of the Act, 12 U.S.C. § 1818(i)(1), subject only to the conditions set forth in paragraph 3 of this CONSENT AGREEMENT.

3. In the event the FDIC accepts this CONSENT AGREEMENT and issues the ORDER, it is agreed that no action to enforce such ORDER in the United States District Court will be taken by the FDIC unless the Insured Institution or any director, officer, employee, agent, successor or assignee, or other institution-affiliated party, has violated or is about to violate any provision of the ORDER.

4. The Insured Institution hereby waives:

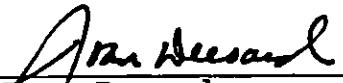
- (a) The receipt of a NOTICE OF CHARGES AND OF HEARING;
- (b) All defenses in this proceeding;
- (c) A hearing for the purpose of taking evidence on such alleged charges;
- (d) The filing of PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW;
- (e) A recommended decision of an Administrative Law Judge; and

(f) Exceptions and briefs with respect to such recommended decision.

Dated: March 7, 2007.

FDIC
LEGAL DIVISION

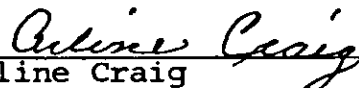
BY:



Joan Dusard
Senior Attorney

UNITED ROOSEVELT SAVINGS BANK
CARTERET, NEW JERSEY

BY:



Arline Craig
Director




Michael Kepich
Director



Chester T. Mikotacyz
Director



Theresa Serluco
Director



Garry Yee, DDS
Director

Comprising the Board of
Directors of
United Roosevelt Savings Bank
Carteret, New Jersey

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

_____)	
In the Matter of)	
UNITED ROOSEVELT SAVINGS BANK)	ORDER TO CEASE AND DESIST
CARTERET, NEW JERSEY)	
(INSURED STATE NONMEMBER BANK))	FDIC-07-003b
_____)	

United Roosevelt Savings Bank, Carteret, New Jersey ("Insured Institution"), 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 Insured Institution and of its right to a hearing on the 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 March 7, 2007, whereby solely for the purpose of this proceeding and without admitting or denying the alleged charges of unsafe or unsound banking practices and violations of law and/or regulations, the Insured Institution 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 Insured Institution had engaged in

unsafe or unsound banking practices and had committed violations of law and/or regulations. The FDIC, therefore, accepted the CONSENT AGREEMENT and issued the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED that the Insured Institution, its directors, officers, employees, agents and other institution-affiliated parties (as that term is defined in Section 3(u) of the Act, 12 U.S.C. § 1813(u)), and its successors and assigns cease and desist from engaging in the unsafe or unsound banking practices and committing the violations of law and/or regulations specified below:

(a) operating in violation of the Bank Secrecy Act, as amended, 12 U.S.C. § 1829b, 12 U.S.C. §§ 1951-1959, and 31 U.S.C. §§ 5311-5332, and implemented by rules and regulations issued by the United States Department of Treasury, 31 C.F.R. Part 103, and 12 U.S.C. § 1818(s) and its implementing regulation, 12 C.F.R. § 326.8 (hereafter collectively "BSA")

(b) operating with inadequate management supervision and oversight by the Insured Institution's board of directors ("Board") to prevent unsafe or unsound practices and violations of the BSA;

(c) operating with an inadequate BSA/Anti-Money Laundering Compliance Program ("BSA/AML Compliance Program") to monitor and assure compliance with the BSA in violation of

Section 326.8(b)(1) of the FDIC's Rules and Regulations, 12 C.F.R. § 326.8(b)(1);

(d) failure to implement and adopt an adequate, written customer identification program;

(e) operating with an inadequate system of internal controls for BSA compliance;

(f) operating with an inadequate system of independent testing for BSA compliance;

(g) failure to provide adequate BSA training;

(h) operating with ineffective policies, procedures and processes to adequately comply with the United States Department of Treasury's Financial Recordkeeping and Reporting Regulations at 31 CFR Part 103; and

(i) operating with ineffective policies, procedures and processes to adequately screen, monitor and verify account transactions to ensure compliance with the regulations promulgated by the United States Department of Treasury's Office of Foreign Assets Control ("OFAC"), 31 C.F.R. Part 500.

IT IS FURTHER ORDERED that the Insured Institution, its institution-affiliated parties, and its successors and assigns, shall take affirmative action as follows:

CORRECTION AND PREVENTION

1. Beginning on the effective date of this Order, the Insured Institution shall take the steps necessary, consistent

with other provisions of the ORDER and sound banking practices, to correct and prevent the apparent unsafe or unsound banking practices and violations of law and/or regulations identified in the FDIC's August 7, 2006 Report of Examination ("ROE"), address each deficiency identified in the ROE and ensure the Insured Institution is operated with adequate management supervision and Board oversight to prevent any future unsafe or unsound banking practices and violations of law and/or regulations.

SYSTEM OF BSA INTERNAL CONTROLS

2. Within 120 days from the effective date of this ORDER, the Insured Institution shall develop, adopt, and implement a system of internal controls designed to ensure full compliance with the BSA ("BSA Internal Controls") taking into consideration its size and risk profile. At a minimum, such system of BSA Internal Controls shall include policies, procedures and processes addressing the following areas:

(a) Risk Assessment: The Insured Institution shall conduct an initial BSA/AML risk assessment of the Insured Institution's operations ("Risk Assessment") taking into consideration its customers, their geographic locations, the types of accounts, products and services offered and the geographic areas in which these accounts, products and services are offered to enable it to stratify its customers, products, services and geographies by risk category and determine the

Insured Institution's overall risk profile. The Insured Institution shall establish written policies, procedures and processes to conduct periodic risk assessments and to adjust its stratifications and risk profile as appropriate, but in no event less than every twelve to eighteen months;

(b) Customer Due Diligence: The Insured Institution shall develop, adopt and implement written policies, procedures and processes to operate in conjunction with the customer identification program required by subparagraph (h) below for:

- (i) establishing customer profiles based upon the business activity, ownership structure, anticipated or actual volume and types of transactions (including those transactions involving high-risk jurisdictions) of that customer;
- (ii) assigning risk ratings to each customer based upon their profile and the results of the Risk Assessment required by subparagraph (a) above;
- (iii) maintaining and periodically updating customer profiles and risk ratings; and
- (iv) resolving issues when insufficient or inaccurate information is obtained to

appropriately establish a customer profile and risk rating;

(c) High Risk Account Identification and Monitoring

The Insured Institution shall identify all of its high-risk accounts and adopt adequate methods for identifying, and for monitoring high risk customer relationships on a transaction basis as well as by account and customer;

(d) Enhanced Due Diligence: The Insured Institution shall develop, adopt and implement policies, procedures and processes to operate in conjunction with the due diligence policies, procedures and processes required by subparagraph (b) above and the customer identification program required by subparagraph (h) below with respect to high-risk customers to:

- (i) monitor account activity commensurate with the level of risk of each high-risk customer;
- (ii) determine whether additional information, such as the purpose of the account, source of funds and wealth, the beneficial owners of the account, customer's occupation or type of business should be required and collected for that customer's profile; and
- (iii) determine whether on-site visits to collect and verify information for the customer profile are warranted;

(e) Large Cash Transactions/Funds Transfers/Monetary Instruments Monitoring: The Insured Institution shall develop, adopt and implement policies, procedures and processes appropriate to the Insured Institution considering its size and risk profile (based upon the Risk Assessment) to operate in conjunction with the policies, procedures and processes required by subparagraph (f) below for documenting and monitoring large cash transactions on a cumulative basis, and documenting and monitoring funds transfers and monetary instrument sales, including establishing procedures for recordkeeping requirements of monetary instruments sold for \$3,000 or more to depositors and non-depositors;

(f) Suspicious Activity Monitoring and Reporting: The Insured Institution shall, taking into account its size and risk profile (based upon the Risk Assessment), develop, adopt and implement appropriate policies, procedures, processes and systems for monitoring, detecting and reporting suspicious activity being conducted within or through the Insured Institution. These policies, procedures, processes and systems should adequately address:

- (i) lines of communication for the referral of unusual activity to appropriate personnel, including designation of individual(s) responsible for identifying,

researching and reporting
suspicious activities;

- (ii) monitoring procedures that identify and include areas susceptible to money laundering, including monetary instrument sales and funds transfers;
- (iii) monitoring systems used to identify unusual activity, including the reports and logs to be utilized;
- (iv) procedures to ensure the timely generation of, review of, and response to reports used to identify unusual activities;
- (v) establishing risk based monitoring of high-risk customers enabling the Insured Institution to identify transactions for further monitoring, analysis and possible reporting;
- (vi) establishing periodic testing and appropriate adjustment to the policies, procedures and processes

utilized to monitoring high risk customers;

- (vii) procedures describing the circumstances under which an account should be closed due to suspicious activity and the processes and procedures to be followed in doing so;
- (viii) procedures for reviewing and evaluating the transaction activity of subjects included in law enforcement requests;
- (ix) procedures for the documentation of management's decisions to file or not to file a suspicious activity report ("SAR"); and
- (x) procedures for the timely and accurate completion, filing and retaining of SARs and their supporting documentation and any other similar or related reports required by law or regulation;
- (xi) procedures for reporting SARs to the Board;

(g) Customer Exemptions: The Insured Institution shall revise its policies, procedures and processes to reflect the requirements of current regulations pertaining to the granting of exemptions from currency transactions, as required by 31 C.F.R. 103.22;

(h) Customer Identification Program: The Insured Institution shall develop, adopt and implement a customer identification program ("CIP"), as required by 12 C.F.R. § 326.8(b) and 31 C.F.R. Part 103, with written policies, procedures and processes to ensure that the Insured Institution's CIP contains at a minimum:

- (i) account opening procedures specifying the identifying information required for each customer type, including procedures that set forth the documents that the Insured Institution will use when relying on documents to verify the identity of an individual or person other than an individual, as required by 31 C.F.R. Part 103;
- (ii) risk-based procedures for verifying the identity of new customers;

- (iii) procedures for circumstances in which the Insured Institution is unable to form a reasonable belief that it knows the true identity of a customer;
- (iv) risk based procedures for reviewing existing customers to determine whether sufficient information has been obtained to establish the customer profiles;
- (v) procedures for recordkeeping and retention;
- (vi) procedures to determine whether a customer appears on a federal government list of known or suspected terrorists or terrorist organizations when such list is generated;
- (vii) procedures to provide adequate notice to customers that the Insured Institution will be requesting information to verify their identities;
- (viii) if applicable, procedures for reliance upon another financial institution to perform one or more elements of its CIP;

(i) BSA/AML Staffing and Resources: The Insured Institution shall review BSA/AML compliance staffing and

resources taking into consideration its size and risk profile (based upon the Risk Assessment) and make such modifications as are sufficient to retain personnel with adequate BSA/AML experience to oversee the BSA/AML compliance program. The Insured Institution shall establish written policies, procedures and processes requiring the periodic review of and appropriate adjustment to its BSA/AML staffing and resources;

(j) Wire Transfer Transactions: The Insured Institution shall develop, adopt and implement policies, procedures and processes with respect to wire transfer recordkeeping, including requirements for complete information on beneficiaries and originators, as required by 31 C.F.R 103.33.

SYSTEM OF OFAC INTERNAL CONTROLS

3. Within 30 days of the effective date of this ORDER, the Insured Institution shall develop, adopt, and implement a system of internal controls designed to ensure compliance with the regulations promulgated by OFAC, taking into consideration its customers, their geographic locations, the types of accounts, products and services it offers these customers and the geographic areas in which these accounts, products and services are offered.

INDEPENDENT TESTING

4. Within 120 days from the effective date of this ORDER, the Insured Institution shall establish independent testing programs for compliance with the BSA and OFAC regulations, to be performed on no less than an annual basis. The scope of the testing procedures to be performed, and testing results, shall be documented in writing and approved by the Insured Institution's Board or its designee. The Insured Institution should ensure that audit procedures and auditor experience are commensurate with the Insured Institution's level of BSA/AML risk.

TRAINING

5. Beginning on the effective date of the ORDER, the Insured Institution shall take all steps necessary, consistent with sound banking practices, to ensure that all appropriate personnel are aware of, and can comply with, the requirements of the BSA and OFAC Provisions applicable to the individual's specific responsibilities to assure the Insured Institution's compliance with the BSA and OFAC regulations.

6. Within 60 days from the effective date of this ORDER, the Insured Institution shall develop, adopt, and implement effective training programs designed for the Board, management and staff and their specific compliance responsibilities on the relevant aspects of laws, regulations, and Insured Institution policies, procedures and processes relating to the BSA and the OFAC regulations ("Training Program").

DESIGNATION OF BSA AND OFAC OFFICER

7. Within 45 days from the effective date of this ORDER, the Insured Institution shall provide for the designation of a qualified individual or individuals ("BSA Officer") responsible for coordinating and monitoring day-to-day compliance with the BSA Provisions.

8. Within 45 days from the effective date of this ORDER, the Insured Institution shall provide for the designation of a qualified individual or individuals ("OFAC Officer") responsible for coordinating and monitoring day-to-day compliance with the OFAC Internal Controls and the oversight of blocked funds.

9. The designated BSA Officer and the OFAC Officer may be the same qualified individual or individuals.

INFORMATION SHARING

10. Within 90 days of the effective date of this ORDER, the Insured Institution shall develop, adopt and implement policies, procedures and processes to ensure full compliance with Section 314(a) of the USA PATRIOT Act, 31 U.S.C. § 5311 ("Section 314 (a)"), including procedures to ensure the security and confidentiality of information requests from FinCEN and documentation to reflect that timely, responsive searches are

performed, the types of information searched and implementation of a central filing system for all Section 314(a) requests.

AUDIT POLICY

11. Within 120 days from the effective date of this ORDER, the Insured Institution shall amend its policies, procedures, and processes with regard to both internal and external audits so that the Insured Institution periodically reviews compliance with both the BSA and OFAC Provisions as part of its routine auditing.

12. Beginning on the effective date of this ORDER, the Insured Institution shall provide periodic reports to the Audit Committee of the Insured Institution's Board setting forth any law enforcement inquiry that relates in any way to the BSA or OFAC Provisions, any criminal subpoena received by the Insured Institution and any action taken or response provided with respect to such inquiry or subpoena.

COMPLIANCE COMMITTEE

13. Within 30 days from the effective date of this ORDER, the Insured Institution's Board shall appoint a committee ("Compliance Committee") composed of at least three directors who are not now, and have never been, involved in the daily operations of the Insured Institution, and whose composition is acceptable to the Regional Director and the Commissioner of

Banking and Insurance for the State of New Jersey

("Commissioner"), to monitor the Insured Institution's compliance with this ORDER. Within 30 days of the acceptance of the Compliance Committee by the Regional Director and the Commissioner, and at monthly intervals thereafter, such Compliance Committee shall prepare and present to the Insured Institution's Board a written report of its findings, detailing the form, content, and manner of any action taken to ensure compliance with this ORDER and the results thereof, and any recommendations with respect to such compliance. Such progress reports shall be included in the minutes of the Insured Institution's Board meetings. Nothing contained herein shall diminish the responsibility of the entire Board to ensure compliance with the provisions of this ORDER.

THIRD PARTY LOOKBACK REVIEW

14. (a) Within 45 days from the effective date of this ORDER, the Insured Institution shall engage a qualified independent firm ("Consultant") acceptable to the Regional Director and the Commissioner to conduct a review of account and transaction activity for the time period beginning January 1, 2006 through the effective date of this ORDER to determine whether suspicious activity involving any accounts or transactions within or through the Insured Institution was properly identified and reported in accordance with the

applicable suspicious activity reporting requirement ("Look Back Review"). The Look Back Review shall be conducted within 90 days of the acceptance of the Consultant by the Regional Director and the Commissioner;

(b) Within 10 days of the engagement of the Consultant, but prior to the commencement of the Look Back Review, the Insured Institution shall submit to the Regional Director and the Commissioner for approval an engagement letter that sets forth:

- (i) the scope of the Look Back Review, including the types of accounts and transactions to be reviewed;
- (ii) the methodology for conducting the Look Back Review, including any sampling procedures to be followed;
- (iii) the expertise and resources to be dedicated to the Look Back Review; and
- (iv) the anticipated date of the completion of the Look Back Review;

(c) Upon completion of the Look Back Review, the Consultant shall provide a copy of the report detailing its findings to the Regional Director and the Commissioner at the same time the report is provided to the Insured Institution; and

(d) Within 30 days of its receipt of the Look Back Review report, the Insured Institution shall ensure that all

matters or transactions required to be reported, are reported in accordance with applicable laws and regulations.

SHAREHOLDERS

15. Following the effective date of this ORDER, the Insured Institution shall send to its parent holding company the ORDER or otherwise furnish a description of this ORDER in conjunction with the Insured Institution's next communication with such parent holding company. The description shall fully describe the ORDER in all material respects.

PROGRESS REPORTS

16. By the 30th day after the end of the calendar quarter following the effective date of this ORDER, and by the 15th day after the end of every calendar quarter thereafter, the Insured Institution shall furnish written progress reports to the Regional Director and the Commissioner detailing the form, content, and manner of any actions taken to secure compliance with this ORDER, and the results thereof.

OTHER ACTIONS

17. It is expressly and clearly understood that if, at any time, the Regional Director shall deem it appropriate in

fulfilling the responsibilities placed upon him or her under applicable law to undertake any further action affecting the Insured Institution, nothing in this ORDER shall in any way inhibit, estop, bar or otherwise prevent him or her from doing so, including, but not limited to, the imposition of civil money penalties.

18. It is expressly and clearly understood that nothing herein shall preclude any proceedings brought by the Regional Director to enforce the terms of this ORDER, and that nothing herein constitutes, nor shall the Insured Institution contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, Department of Justice or any other representatives of the State of New Jersey or any other agencies thereof, including any prosecutorial agency, to bring other actions deemed appropriate.

ORDER EFFECTIVE

19. The effective date of this ORDER shall be immediately upon the date of issuance.


20. The provisions of this ORDER shall be binding upon the Insured Institution, its directors, officers, employees, agents, successors, assigns, and other institution-affiliated parties of the Insured Institution.

21. The provisions of this ORDER shall remain effective and

enforceable except to the extent that, and until such time as, the ORDER is removed or any provisions of this ORDER shall have been modified or eliminated.

Pursuant to delegated authority.

Dated: March 7, 2007.


Doreen R. Eberley
Regional Director

COMMISSIONER OF BANKING AND INSURANCE

The Commissioner of Banking and Insurance for the State of New Jersey (the "Commissioner"), having duly approved the foregoing ORDER, and United Roosevelt Savings Bank, Carteret, New Jersey (the "Bank"), agree that upon issuance of the said ORDER by the Federal Deposit Insurance Corporation such ORDER shall be binding as between the Bank and the Commissioner with the same legal effect and to the same degree that such ORDER would be binding on the Bank if the Commissioner had issued a separate ORDER, pursuant to the provisions of N.J.S.A. 17:9A-267, that included and incorporated all of the provisions of the foregoing ORDER.

The Commissioner and the Bank further agree that the provisions of this ORDER shall remain effective and enforceable by the Commissioner against the Bank 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 Commissioner.


In Carteret, New Jersey, on March 7th, 2007.



Steven M. Goldman
Commissioner of Banking and Insurance

Acknowledged:
United Roosevelt Savings Bank, Carteret, New Jersey

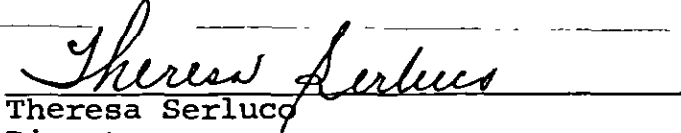
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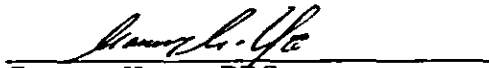


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