

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of:	)	
	)	
JOHN H. PEARSON, JR.,	)	
individually, and as an	)	
institution-affiliated party of	)	ORDER TO PAY
	)	
BUTLER BANK	)	
LOWELL, MASSACHUSETTS	)	FDIC-11-426k
	)	
	)	
(INSURED STATE NONMEMBER BANK)	)	

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JOHN H. PEARSON, JR. ("Respondent") and a representative of the Legal Division of the Federal Deposit Insurance Corporation ("FDIC") executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY ("CONSENT AGREEMENT") dated August 10, 2011, whereby Respondent, solely for the purpose of this proceeding and without admitting or denying any violations of law and/or regulation, unsafe or unsound banking practices, and/or breaches of fiduciary duty that may have been committed while an institution-affiliated party of Butler Bank, Lowell, Massachusetts ("Bank") for which civil money penalties may be assessed, consented and agreed to pay civil money penalties as specified below.

After taking into account the CONSENT AGREEMENT, the appropriateness of the penalty with respect to the financial resources and good faith of Respondent, the gravity of the violations of law and/or regulation, unsafe or unsound banking

practices, and/or breaches of fiduciary duty by Respondent, the history of previous violations by Respondent, and such other matters as justice may require, the FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY

IT IS HEREBY ORDERED, that by reason of the violations of law and/or regulation, unsafe or unsound banking practices, and/or breaches of fiduciary duty set forth in paragraph 2 of the CONSENT AGREEMENT, a penalty of \$225,000, be, and hereby is, assessed against JOHN H. PEARSON, JR.

IT IS FURTHER ORDERED that the FDIC has determined to remit the civil money penalty assessed herein pursuant to section 8(i)(2)(F) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i)(2)(F), and pursuant to paragraph 4 of the CONSENT AGREEMENT, by reasons of Respondent's execution of a Settlement and Release Agreement with the FDIC as Receiver of the Bank and Respondent's delivery to the FDIC of a cashier's check for \$225,000 payable to "Federal Deposit Insurance Corporation as Receiver of Butler Bank" as reimbursement for certain of the Bank's losses, costs, and expenses arising from the alleged violations of law and/or regulation, unsafe or unsound banking practices, and/or breaches of fiduciary duty set forth in paragraph 2 of the CONSENT AGREEMENT.

IT IS FURTHER ORDERED that Respondent is prohibited from

seeking or accepting indemnification from any insured depository institution for the civil money penalty assessed and paid in this matter.

This Order to Pay shall be effective upon issuance.

Pursuant to delegated authority.

Dated at Washington, D.C., this 2<sup>nd</sup> day of November, 2011.

/s/\_\_\_\_\_   
Serena L. Owens   
Associate Director   
Division of Risk Management   
Supervision