

UNITED STATES OF AMERICA
BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

)	FRB Dkt. No. 05-010-B-HC
In the Matter of:)	05-010-CMP-HC
)	05-010-B-I
THE NORCROWN TRUST)	05-010-CMP-I
)	05-010-E-I
CHARLES KUSHNER, an institution-affiliated party of The NorCrown Trust, and a former institution- affiliated party of NorCrown Bank, Livingston, New Jersey (an insured state nonmember bank))	FDIC-04-224e & FDIC-04-223k
)	Joint Orders to Cease and Desist, of Assessment of Civil Money Penalties, and of Prohibition, and Order Under the Bank Holding Company Act, Issued Upon Consent

WHEREAS, pursuant to sections 8(b) and 8(e) of the Federal Deposit Insurance Act, as amended (the “FDI Act”)(12 U.S.C. §§ 1818(b) & (e)), and section 8(b) of the Bank Holding Company Act, as amended (the “BHC Act”)(12 U.S.C. §1847(b)), the Board of Governors of the Federal Reserve System (the “Board of Governors”), and, pursuant to the Change in Bank Control Act (12 U.S.C. § 1817(j)(16)), and sections 8(e), and 8(i) of the FDI Act (12 U.S.C. §§ 1818(e) & (i)), the Federal Deposit Insurance Corporation (the “FDIC”) issues by consent this Joint Order to Cease and Desist, Order Assessing Civil Money Penalties, and Order of Prohibition (the “Joint Enforcement Orders”) against The NorCrown Trust, an unregistered bank holding company, which owns more than 99 percent of the voting shares of NorCrown Bank, Livingston, New Jersey, an insured state nonmember bank, and Charles Kushner, an institution-affiliated party of The NorCrown Trust who is the sole trustee of The NorCrown Trust, and a former institution-affiliated party of NorCrown Bank who was the chairman and a

director of NorCrown Bank from June 1996 until July 2004, and who filed with the FDIC a notice under the Change in Bank Control Act (12 U.S.C. § 1817(j)) with respect to the acquisition of shares of NorCrown Bank;

WHEREAS, in recognition of their common goal to provide for the orderly divestiture to a third-party banking organization of the shares of NorCrown Bank held by The NorCrown Trust, in addition to the Joint Enforcement Orders, various other persons with relationships to The NorCrown Trust who have executed this document (collectively, the “Other Signatories”) also agree to the issuance by the Board of Governors of an Order under section 5(b) of the BHC Act (12 U.S.C. § 1844(b)) (the “BHC Act Order”);

WHEREAS, the Joint Enforcement Orders and the BHC Act Order (collectively, the “Joint Order”) also resolve the investigation conducted jointly by the Board of Governors (with the Federal Reserve Bank of New York) and the FDIC concerning allegations with respect to:

(i) The ownership and control of NorCrown Bank, specifically that Charles Kushner, individually, a constructive company that owned shares of NorCrown Bank registered in the name of Charles Kushner, and The NorCrown Trust each violated one or more of the following: the Change in Bank Control Act (12 U.S.C. § 1817(j)), the Bank Merger Act (12 U.S.C. § 1828(c)), and the BHC Act (12 U.S.C. § 1842(a)) as a result of the consummation of transactions in November 1995 and June 1996 that were inconsistent with representations made to the FDIC in a Notice of Change in Bank Control and an application under the Bank Merger Act, and thereafter by causing the

constructive company, and then The NorCrown Trust to become bank holding companies without the prior approval of the Board of the Governors; and

(ii) Alleged violations of Regulation O of the Board of Governors (12 C.F.R. § 215.4) and sections 23A and 23B of the Federal Reserve Act (12 U.S.C. §§ 371c & 371c-1);

WHEREAS, Charles Kushner has pleaded guilty to a felony information pending in the United States District Court for the District of New Jersey, in the matter of *United States v. Kushner*, Crim. No. 04-6120 (D.N.J.), which charges include making false statements to a federal agency, assisting in the filing of false tax returns, and retaliating against a witness, and is scheduled to be sentenced on that plea on March 4, 2005;

WHEREAS, the Board of Governors and the FDIC separately issued consent Notices of Prohibition against Charles Kushner on August 23, 2004 and August 13, 2004, respectively, pursuant to section 8(g)(1)(A) of the FDI Act (12 U.S.C. § 1818(g)(1)(A)), which Notices remain in effect until Charles Kushner is sentenced in *United States v. Kushner*; and

WHEREAS, by affixing their signatures hereunder, The NorCrown Trust and Charles Kushner (with respect to the Joint Enforcement Order) and each of the Other Signatories (with respect to the BHC Act Order) have waived any and all rights he or she might otherwise have pursuant to 12 U.S.C. §§ 1817, 1818 or 1847 or 12 C.F.R. Parts 263, 308 or otherwise to: (i) issuance of a notice of charges and of hearing and a notice of assessment of civil money penalties on any matter set forth in this Joint Order; (ii) a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Joint Order; (iii) obtain judicial review of any provision herein; and (iv) challenge

or contest in any manner the issuance, validity, terms and effectiveness of the matters set forth herein.

NOW, THEREFORE, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issues of fact or law herein, and without this Joint Order constituting an admission or denial by The NorCrown Trust, Charles Kushner or any of the Other Signatories of any allegation made or implied by the Board of Governors or the FDIC in connection with this matter, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended hearings or testimony:

I. CEASE AND DESIST ORDER PURSUANT TO SECTION 8(b) of the FDI ACT

IT IS ORDERED, by the Board of Governors and the FDIC pursuant to section 8(b) of the FDI Act (12 U.S.C. § 1818(b)) that The NorCrown Trust and Charles Kushner, respectively:

1. On or before the effective date of this Joint Order, shall submit to the Board of Governors and to the FDIC an acceptable plan of divestiture for all of voting shares of NorCrown Bank held by The NorCrown Trust and Charles Kushner, and thereafter shall comply with such plan. Such divestiture plan shall include, at a minimum the following provisions:
 - a. Charles Kushner, as current trustee of The NorCrown Trust, shall undertake reasonable best efforts to sell all the shares of NorCrown Bank held by The NorCrown Trust, consistent with the approvals previously granted pursuant to the Notice of Prohibition issued by the Board of

Governors on August 23, 2004, and subject to the limitations of Paragraph 11, below;

- b. If there is no completed divestiture of the shares of NorCrown Bank held by The NorCrown Trust by the effective date of this Order, then The NorCrown Trust must transfer the shares of NorCrown Bank held by The NorCrown Trust to a voting trust in the form attached as an Appendix to this Joint Order as set forth in the divestiture plan.
- c. The voting trust agreement may not be amended without the prior approval of the Board of Governors and the FDIC.
- d. The voting trustee(s) (the “Independent Voting Trustee”) must be financially and otherwise independent of Charles Kushner and the Other Signatories, and members of the families of Charles Kushner and the Other Signatories, and entities controlled by any of the foregoing both prior to and throughout the period the Independent Voting Trustee serves in office, *provided*, that the Independent Voting Trustee may receive compensation as provided under the terms of the voting trust;
- e. On or before the effective date of this Joint Order, The NorCrown Trust must propose an Independent Voting Trustee acceptable to the Board of Governors and FDIC. The Independent Voting Trustee must also receive approval or non-objection under any other state and federal requirements. Charles Kushner and The NorCrown Trust shall use their reasonable best efforts to ensure that the Independent Voting Trustee files a notice under

the Change in Bank Control Act and state law, if required, with the appropriate regulatory authorities;

- f. If a proposed Independent Voting Trustee is not approved pursuant to this Joint Order or pursuant to any other regulatory approval requirement, or is otherwise unable or unwilling to assume or continue in office, the NorCrown Trust, through its trustee, will propose another Independent Voting Trustee of the voting trust within 20 days of the disapproval, or inability or unwillingness to assume or continue in office;
- g. The voting trust agreement shall grant to the Independent Voting Trustee the authority and duty after assuming office:
 - i. To vote the shares of NorCrown Bank;
 - ii. If there is an executory definitive sale agreement on the date the voting trust becomes effective, the Independent Voting Trustee must oversee and use reasonable best efforts to complete the sale of the shares of NorCrown Bank in accordance with the executory definitive sale agreement entered into by The NorCrown Trust prior to such date. If the Independent Voting Trustee proposes to amend the definitive sale agreement in a manner that would result in a change in the consideration payable for the shares of NorCrown Bank, the Independent Voting Trustee must secure consent from the then trustee of The NorCrown Trust, in accordance with the voting trust agreement. The Independent Voting Trustee must vote the shares of NorCrown Bank in favor of

the transaction, if a shareholder vote is required. “A definitive sale agreement” shall mean a written contract containing the necessary terms for the sale or other disposition of all of the shares of NorCrown Bank now or in the future held by the NorCrown Trust or Charles Kushner, subject to:

1. regulatory approval;
 2. a due diligence period of no more than 30 days after execution; and
 3. other terms and conditions customary in transactions of this type;
- iii. If there is no executory definitive sale agreement on the date the Independent Voting Trustee assumes office, the Independent Voting Trustee must use reasonable best efforts to sell the shares of NorCrown Bank;
- iv. If:
1. the shares of NorCrown Bank have not been sold by September 30, 2005, and there is no executory definitive sale agreement at that time, the Independent Voting Trustee must begin a process intended to result within 60 days thereafter in a definitive sale agreement without a minimum price for the shares;
 2. a definitive sale agreement is pending on September 30, 2005, but subsequently expires without a closing of the

sale, is terminated without a closing of the sale, or is disapproved by banking regulators, the Independent Voting Trustee must begin a process intended to result in a definitive sale agreement within 60 days thereafter without a minimum price for the shares;

- h. A provision that The NorCrown Trust or the voting trust set forth above, as the case may be, will disburse the proceeds of any divestiture of shares of NorCrown Bank promptly in payment of all unpaid civil money penalties set forth in this Joint Order owed by The NorCrown Trust and Charles Kushner prior to any other distribution.
- 2. Shall not complete a sale or other transfer of the shares of NorCrown Bank (whether the shares are in the name of The NorCrown Trust, or held by the Independent Voting Trustee pursuant to the voting trust set forth above) unless the Board of Governors and the FDIC in their discretion each approves the sale or transfer in writing pursuant to this Joint Order, in addition to any other state or federal regulatory approvals required by law.
- 3. Shall not, directly or indirectly, violate the Bank Holding Company Act or any rules or regulations issued pursuant thereto;
- 4. Shall use their reasonable best efforts to ensure that the accepted divestiture plan and the other provisions of this Joint Order are carried out effectively, as permitted by law, shall use their reasonable best efforts to ensure that all necessary action is taken to enable any “acquiring organization shares” (as defined in Paragraph 5, below) to be registered for public sale, and shall take no

action to hinder, obstruct, or delay the divestiture of the shares of NorCrown Bank by The NorCrown Trust or the voting trust referred to in Part I, above, or otherwise cause any breach of the voting trust referred to in Part I, above.

5. Shall not acquire or retain, directly or indirectly, any additional ownership interest in NorCrown Bank, without the prior written approval of the Board of Governors and the FDIC, *provided, however:*

- a. that distributions of cash or other assets from The NorCrown Trust to Charles Kushner and the Other Signatories, if applicable, of the proceeds of the divestiture of the shares of NorCrown Bank shall not require the prior written approval of the Board of Governors or the FDIC;
- b. that any voting shares of an institution specified in 12 U.S.C. § 1818(e)(7)(A) that are received directly or indirectly in exchange for the shares of NorCrown Bank and that are retained by the voting trust referred to above, transferred to the NorCrown Trust, or transferred or distributed to Charles Kushner or any of the Other Signatories, as applicable, (“acquiring organization shares”) shall not be voted unless they are transferred to a person or entity other than the persons or entities described in Paragraph 1(d), above;
- c. all acquiring organization shares shall be transferred to persons or entities other than those described in Paragraph 1(d), above, within fourteen (14) months after the date upon which the shares are first permitted to be sold publicly under the federal and state securities laws (provided that all necessary action to enable such shares to be publicly sold is taken

promptly after the closing on the sale of the NorCrown Bank shares held by The NorCrown Trust). The foregoing notwithstanding, the fourteen month period shall be extended:

- i. by one business day for each one business day on which the acquiring organization shares are unable to be sold publicly because of (a) contractual restrictions in connection with the acquisition of the shares (including any period during which such shares are subject to any escrow arrangements to secure indemnity obligations of the holders thereof) or (b) as a result of the suspension of trading in such shares or federal or state securities law restrictions (including any day on which the registration statement filed by the issuer of the acquiring organization shares to facilitate the sale thereof for any reason ceases to be effective); *provided* that an extension pursuant to clause (a) or (b) above shall apply only with respect to shares which are subject to such restriction or limitation, and

No acquiring organization shares shall be distributed or otherwise transferred to any natural person who is a beneficiary of any trust that is one of the Other Signatories, and no such beneficiary shall be deemed to have any obligations pursuant to this Joint Order as a consequence of being a beneficiary of such trust that holds such shares.

No beneficiary of any trust that is one of the Other Signatories shall be considered a successor or assign of such trust for purposes of this Joint Order.

II. CIVIL MONEY PENALTIES

IT IS FURTHER ORDERED, by the Board of Governors pursuant to section 8(b) of the BHC Act (12 U.S.C. § 1847(b)), and by the FDIC pursuant to section 8(i)(2) of the FDI Act (12 U.S.C. § 1818(i)(2)) and the Change in Bank Control Act (12 U.S.C. § 1817(j)(16)) that the NorCrown Trust and Charles Kushner, respectively, shall pay civil money penalties, to be allocated as follows:

6. The NorCrown Trust shall pay a civil money penalty of \$12.5 million (the “Trust base civil money penalty”) to be adjusted as set forth below:
 - a. The Trust civil money penalty will be decreased to \$10.75 million from the Trust base civil money penalty, if a definitive sale agreement for the sale of NorCrown Bank to a depository institution or depository institution holding company is fully executed and submitted to the Board of Governors and the FDIC on or before 60 days after the start date. The “start date” means September 29, 2004;
 - b. The Trust civil money penalty will be the Trust base civil money penalty, if a definitive sale agreement is fully executed and submitted to the Board of Governors and the FDIC between 61 days and 120 days after the start date;
 - c. The Trust civil money penalty will be increased to \$13 million, if a definitive sale agreement is fully executed and submitted to the Board of Governors and the FDIC between 121 days and 150 days after the start date;

- d. The Trust civil money penalty will be \$13.8 million, if a definitive sale agreement is fully executed and submitted to the Board of Governors and the FDIC between 151 and 180 days after the start date, and will increase an additional \$800 thousand for each 30-day period thereafter, until the earlier of:
 - i. The date a definitive sale agreement has been fully executed and submitted to the Board of Governors and the FDIC, or
 - ii. September 30, 2005;
- e. The running of time periods for calculating the adjustment in penalties will be tolled from the date a definitive agreement is fully executed and submitted to the Board of Governors and the FDIC until the date 30 days after the agreement expires without closing, is terminated, or disapproved by a banking regulator under this Joint Order or pursuant to another state or federal regulatory requirement (the “restart date”). On a restart date, the time periods relating to the calculation of the civil money penalty amount as described in Subparagraphs (a), (b), (c), and (d) above, will resume running until the earliest of:
 - i. the execution and submission to the Board of Governors and the FDIC of another fully executed definitive sale agreement;
 - ii. written notification by the Independent Voting Trustee, as described in Paragraph 1, to the Board of Governors and the FDIC that a process has commenced that is intended to result within 60

days thereafter in a definitive sale agreement without a minimum price for the shares; or

iii. September 30, 2005;

7. Charles Kushner shall pay a civil money penalty of \$2.5 million (the “Charles Kushner base civil money penalty”) to be adjusted as set forth below:
- a. The Charles Kushner civil money penalty will be decreased to \$ 1.75 million, if a definitive sale agreement is fully executed and submitted to the Board of Governors and the FDIC on or before 60 days after the start date;
 - b. The Charles Kushner civil money penalty will be the Charles Kushner base civil money penalty, if a definitive sale agreement is fully executed and submitted to the Board of Governors and the FDIC between 61 days and 120 days after the start date;
 - c. The Charles Kushner civil money penalty will be \$3.0 million, if a definitive sale agreement is fully executed and submitted to the Board of Governors and the FDIC between 121 days and 150 days after the start date;
 - d. The Charles Kushner civil money penalty shall be \$3.2 million, if a definitive sale agreement is fully executed and submitted to the Board of Governors and the FDIC between 151 and 180 days after the start date, and will increase an additional \$200 thousand for each 30-day period thereafter, until the earlier of:

- i. The date a definitive sale agreement has been fully executed and submitted to the Board of Governors and the FDIC, or
 - ii. September 30, 2005;
 - e. Paragraph 6(e) also applies to the civil money penalty assessed against Charles Kushner;
8. The penalties shall be payable to the Board of Governors and the FDIC immediately upon transfer of the shares of the NorCrown Bank held by the NorCrown Trust or by the voting trust referred to above to a third party, as set out in this Joint Order. Payment shall be made by a Fedwire transfer to the Federal Reserve Bank of Richmond, ABA No. 05 1000033, to the order of the Board of Governors General Fund, FRB General Ledger Account number 220 400 010, which penalties the Board of Governors shall remit on behalf of the Board of Governors and the FDIC to the United States Treasury as required by statute.

III. ORDER UNDER SECTION 5(b) OF THE BHC ACT

IT IS FURTHER ORDERED by the Board of Governors pursuant to section 5(b) of the BHC Act (12 U.S.C. § 1844(b)) that the Other Signatories:

- 9. Shall use their reasonable best efforts to ensure that the accepted divestiture plan and the other provisions of this Joint Order are carried out effectively, as permitted by law, and shall take no action to hinder, obstruct, or delay the divestiture of the shares of NorCrown Bank by The NorCrown Trust or the voting trust referred to in Part I, above, or otherwise cause any breach of the voting trust referred to in Part I, above.

10. Shall not acquire or retain, directly or indirectly, any additional ownership interest in NorCrown Bank, without the prior written approval of the Board of Governors and the FDIC, *provided, however:*

- a. that distributions of cash or other assets from The NorCrown Trust to Charles Kushner and the Other Signatories, if applicable, of the proceeds of the sale of the shares of NorCrown Bank shall not require the prior written approval of the Board of Governors or the FDIC;
- b. that any acquiring organization shares shall not be voted unless they are transferred to a person or entity other than the persons or entities described in Paragraph 1(d), above;
- c. all acquiring organization shares shall be transferred to persons or entities other than those described in Paragraph 1(d), above, within fourteen (14) months after the date upon which the shares are first permitted to be sold publicly under the federal and state securities laws (provided that all necessary action to enable such shares to be publicly sold is taken promptly after the closing on the sale of the NorCrown Bank shares held by The NorCrown Trust). The foregoing notwithstanding, the fourteen month period shall be extended:
 - i. by one business day for each one business day on which the acquiring organization shares are unable to be sold publicly because of (a) contractual restrictions in connection with the acquisition of the shares (including any period during which such shares are subject to any escrow arrangements to secure indemnity

obligations of the holders thereof) or (b) as a result of the suspension of trading in such shares or federal or state securities law restrictions (including any day on which the registration statement filed by the issuer of the acquiring organization shares to facilitate the sale thereof for any reason ceases to be effective); *provided* that an extension pursuant to clause (a) or (b) above shall apply only with respect to shares which are subject to such restriction or limitation, and

- d. No acquiring organization shares shall be distributed or otherwise transferred to any natural person who is a beneficiary of any trust that is one of the Other Signatories, and no such beneficiary shall be deemed to have any obligations pursuant to this Joint Order as a consequence of being a beneficiary of such trust that holds such shares. No beneficiary of any trust that is one of the Other Signatories shall be considered a successor or assign of such trust for purposes of this Joint Order.

IV. ORDER OF PROHIBITION AGAINST CHARLES KUSHNER

IT IS FURTHER ORDERED by the Board of Governors and the FDIC pursuant to section 8(e) of the FDI Act that:

11. Charles Kushner, without the prior written approval of the Board of Governors, the FDIC, and, where necessary pursuant to section 8(e)(7)(B) of the FDI Act (12 U.S.C. § 1818(e)(7)(B)), another federal financial institution regulatory agency, is hereby and henceforth prohibited:

- a. From participating in any manner in the conduct of the affairs of any institution or agency specified in section 8(e)(7)(A) of the FDI Act (12 U.S.C. 1818(e)(7)(A)), including, but not limited to, any insured depository institution or depository institution holding company;
- b. from soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in section 8(e)(7)(A) of the FDI Act;
- c. from violating any voting agreement previously approved by any federal banking agency; or
- d. from voting for a director, or serving or acting as an institution-affiliated party, as defined in section 3(u) of the FDI Act, such as an officer, director or employee, in any institution described in section 8(e)(7)(A) of the FDI Act.

Provided, however, (i) Between the effective date of this Joint Order and the date the shares are transferred to the Independent Voting Trustee pursuant to this Order, Charles Kushner shall undertake his reasonable best efforts to sell all the shares of NorCrown Bank held by The NorCrown Trust, consistent with approvals granted pursuant to the Notice of Prohibition issued by the Board of Governors on August 23, 2004; (ii) from the date the shares are transferred to the Independent Voting Trustee pursuant to this Order until the date a judgment of conviction is entered in *United States v. Kushner*, Charles Kushner may assist the Independent Voting Trustee with efforts to sell such

shares; and (iii) after the date a judgment of conviction is entered against Charles Kushner in such proceeding, and before the date of his incarceration, the Independent Voting Trustee, in his or her complete and independent discretion, may consult with Charles Kushner, and Charles Kushner may assist the Independent Voting Trustee with sales efforts as and to the extent requested by the Independent Voting Trustee.

V. **MISCELLANEOUS**

12. The provisions of this Joint Order shall not bar, estop or otherwise prevent the Board of Governors, the FDIC or any other U.S. federal or state agency or department from taking any other action affecting The NorCrown Trust, Charles Kushner, the Other Signatories, or NorCrown Bank, or any of NorCrown Bank's current or former institution-affiliated parties, *provided, however, that*, the Board of Governors and the FDIC will take no further action against The NorCrown Trust, Charles Kushner, the Other Signatories, or NorCrown Bank relating in any manner to the subject matter of the investigation conducted by the Board of Governors titled, *In the Matter of NorCrown Trust*, and by the FDIC titled, *In the Matter of NorCrown Bank*, other than an action to enforce the provisions of this Joint Order.
13. The NorCrown Trust, Charles Kushner, and the Other Signatories agree to waive any and all claims relating in any manner to the investigation that preceded issuance of the Join Order, the Joint Order or the provisions herein they may have with respect thereto against the Board of Governors, the Federal Reserve Bank of New York, the FDIC, any member of the Board of Governors or the FDIC or any

officer, employee or former employee of the Board of Governors, the Federal Reserve Bank of New York, or the FDIC.

14. Each provision of this Joint Order shall remain effective and enforceable until stayed, modified, terminated, or suspended by the Board of Governors and the FDIC.

15. All communications regarding this Joint Order shall be addressed to:

- a. Richard M. Ashton, Esq.
Associate General Counsel
Board of Governors of the Federal Reserve System
20th & C Streets, NW
Washington, DC 20551
- b. William Rutledge
Executive Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045
- c. Christopher Spoth
Regional Director
Federal Deposit Insurance Corp.
20 Exchange Place
New York, New York 10005
- d. A.T. Dill, III
Senior Counsel – Enforcement
550 17th St., NW
Washington, DC 20429
- e. NorCrown Trust
c/o Charles Kushner
18 Columbia Turnpike
Florham Park, New Jersey 07932

With a copy to:
Robert Schwartz
Windels Marx Lane & Mittenforf, LLP
120 Albany Street Plaza
New Brunswick, New Jersey 08901

f. Charles Kushner
18 Columbia Turnpike
Florham Park, New Jersey 07932

With a copy to:
Harvey Werblowksy
18 Columbia Turnpike
Florham Park, New Jersey 07932

g. Murray Kushner
Lee Kushner
c/o Murray Kushner
520 US Highway 22
3rd Floor
Bridgewater, NJ 08807

With a copy to:
Thomas Vartanian
Fried, Frank, Harris, Shriver & Jacobson, LLP
1001 Pennsylvania Ave., NW
Washington, DC 20004

h. Esther Schulder
William Schulder
47 Crestwood Drive
West Orange, NJ 07052

With a copy to:
Edward J. Dauber
Greenberg Dauber Epstein & Tucker, PC
Suite 600, One Gateway Center
Newark, New Jersey 07102-5311

i. Linda Laulicht
Murray Laulicht
59 Cummings Circle
West Orange, New Jersey

With a copy to:
Murray Laulich
Pitney Hardin Kipp & Szuch LLP
200 Campus Drive, 4th Floor
Florham Park, New Jersey 07932 (Overnight or Messenger Service only)
Mail Delivery: P.O. Box 1945, Morristown, NJ 07962

j. Richard Stadtmauer
18 Columbia Turnpike
Florham Park, New Jersey 07932

With a copy to:
Harvey Werblowsky
18 Columbia Turnpike
Florham Park, New Jersey 07932

k. Murray Huberfeld
Laura Huberfeld
c/o Murray Huberfeld
152 West 57th Street (54th floor)
New York, NY 10019

With a copy to:

Eliot Lauer
Curtis, Mallet-Prevost, Colt & Mosle, LLP
101 Park Avenue
New York, New York 10178

l. David Bodner
Naomi Bodner
c/o David Bodner
152 West 57th Street (54th floor)
New York, NY 10019

With a copy to:

Eliot Lauer
Curtis, Mallet-Prevost, Colt & Mosle, LLP
100 Park Avenue
New York, New York 10178

16. No amendment to the provisions herein shall be effective unless made in writing by the Board of Governors and the FDIC, as applicable, and by The NorCrown Trust, Charles Kushner, or the Other Signatories, as applicable.
17. The provisions of this Joint Order shall be binding on The NorCrown Trust, Charles Kushner, the Other Signatories, and each of his, her or its successors and assigns.
18. No representations, either oral or written, except those provisions as set forth herein, were made to induce any of the parties to agree to the provisions as set forth herein.
19. Notwithstanding any provision of this Joint Order, the Federal Reserve Bank of New York may, in its discretion, as applicable, and the FDIC, in its discretion, as applicable, may grant written extensions of time to comply with any provision of this Joint Order.

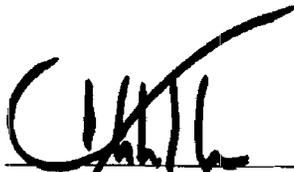
By order of the Board of Governors of the Federal Reserve System (as specified above in Parts I–V) and the Federal Deposit Insurance Corporation (as specified above in Parts I, II, IV and V), effective this 10th day of February 2005.

FEDERAL DEPOSIT INSURANCE
CORPORATION

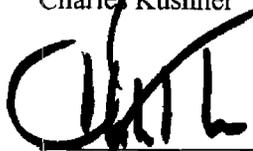
BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

By: (Signed)
Lisa K. Roy
Associate Director Division of
Supervision and Consumer Protection

By: Jennifer J. Johnson
Jennifer J. Johnson
Secretary of the Board



Charles Kushner



The NorCrown Trust
by Charles Kushner, Trustee

OTHER SIGNATORIES:



Kushner Family Trust
Charles Kushner, Trustee

Murray Kushner

Kushner Family Trust
Murray Kushner, Trustee

Ari Kushner Trust
Murray Kushner, Trustee

Jonathan Kushner Trust
Murray Kushner, Trustee

Charles Kushner

The NorCrown Trust
by Charles Kushner, Trustee

OTHER SIGNATORIES:

Kushner Family Trust
Charles Kushner, Trustee



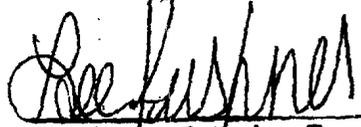
Murray Kushner



Kushner Family Trust
Murray Kushner, Trustee



The Aryeh Kushner Trust Number II
Lee Kushner, Trustee



The Jonathan C. Kushner Trust Number II
Lee Kushner, Trustee

Lee Kushner

The Marc S. Serwitz Kushner Trust Number II
Lee Kushner, Trustee

Lee Kushner

The Melissa L. Serwitz Kushner Trust Number II
Lee Kushner, Trustee

Esther Scholder

Kushner Family Trust
Esther Scholder, Trustee

Jessica Scholder Trust
Esther Scholder, Trustee

Jacob Scholder Trust
Esther Scholder, Trustee

Ruth Scholder Trust
Esther Scholder, Trustee

The Marc S. Serwitz Kushner Trust Number II
Lee Kushner, Trustee

The Miriam L. Serwitz Kushner Trust Number II
Lee Kushner, Trustee


Esther Schuldor


Kushner Family Trust
Esther Schuldor, Trustee


Jessica Zahava Schuldor Trust No. I
William Schuldor, Trustee


Jacob Schuldor Trust No. I
William Schuldor, Trustee


Ruth Shulamit Schuldor Trust No. I
William Schuldor, Trustee

Lauri Laulicht

Lauri Laulicht Trust
Murray Laulicht, Trustee

Linda Laulicht

Kushner Family Trust
Linda Laulicht, Trustee

Linda Laulicht

Pamela Laulicht Trust
Linda Laulicht, Trustee

Linda Laulicht

Shellie Laulicht Trust
Linda Laulicht, Trustee

Linda Laulicht

Abigail Laulicht Trust
Linda Laulicht, Trustee

Linda Laulicht

Dara Kushner Trust No. 1
Linda Laulicht, Trustee

Linda Laulicht

Nicole Kushner Trust No. 1
Linda Laulicht, as Trustee

Linda Laulich Stee
Jared Kushner Trust No. 1;
Linda Laulich, as Trustee

Linda Laulich Stee
Joshua Kushner Trust No. 1
Linda Laulich, as Trustee

Seryl Kushner Trust
Dara Kushner Trust No. 1
Seryl Kushner, Trustee

Seryl Kushner Trust
Jared Kushner Trust No. 1
Seryl Kushner

Seryl Kushner Trust
Nicole Kushner Trust No. 1
Seryl Kushner, Trustee

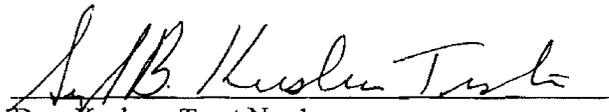
Seryl Kushner Trust
Joshua Kushner Trust No. 1
Seryl Kushner

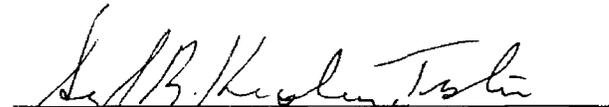
Richard Stadtmauer

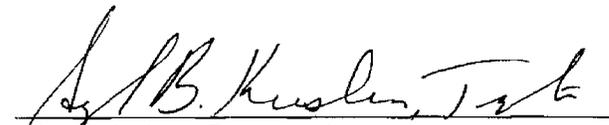
Laura Huberfeld

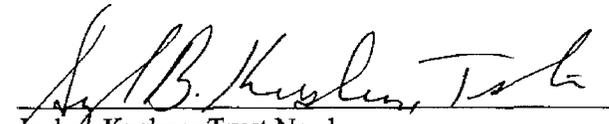
Jared Kushner Trust No. 1;
Linda Laulicht, as Trustee

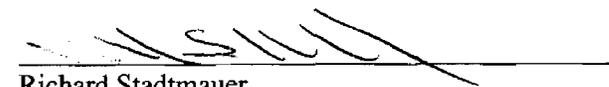
Joshua Kushner Trust No. 1
Linda Laulicht, as Trustee


Dara Kushner Trust No. 1
Seryl Kushner, Trustee


Jared Kushner Trust No. 1
Seryl Kushner


Nicole Kushner Trust No. 1
Seryl Kushner, Trustee


Joshua Kushner Trust No. 1
Seryl Kushner


Richard Stadtmauer

Laura Huberfeld

Jared Kushner Trust No. 1;
Linda Laulich, as Trustee

Joshua Kushner Trust No. 1
Linda Laulich, as Trustee

Dara Kushner Trust No. 1
Seryl Kushner, Trustee

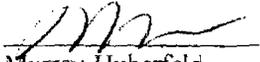
Jared Kushner Trust No. 1
Seryl Kushner

Nicole Kushner Trust No. 1
Seryl Kushner, Trustee

Joshua Kushner Trust No. 1
Seryl Kushner

Richard Stadtmauer

Laura Huberfeld
Laura Huberfeld


Murray Huberfeld

David Bodner

Naomi Bodner

Murray Huberfeld



David Bodner



Naomi Bodner

Voting Trust Agreement

This Voting Trust Agreement is entered into as of January ____, 2005 by and between the trustee of The NorCrown Trust (the "NorCrown Trustee"), a trust established under the laws of New Jersey (the "Grantor"), and _____, as voting trustee (the "Voting Trustee").

WHEREAS, the Grantor is the record owner of [5,249,750] shares of common stock (the "Shares") of NorCrown Bank, a New Jersey bank (the "Bank"), representing approximately 99.____% of the issued and outstanding shares of the Bank;

WHEREAS, the Grantor and certain other parties signatory thereto have entered into Joint Orders with the Board of Governors of the Federal Reserve System (the "Board") and the Federal Deposit Insurance Corporation (the "FDIC"), dated as of _____, 2005 (the "Joint Orders"), requiring, among other things, the divestiture of the Shares held by the Grantor and the deposit of the Shares with the voting trust established under this Voting Trust Agreement pending such divestiture;

WHEREAS, the Voting Trustee has consented to act and has been appointed by the Grantor as the voting trustee hereunder, subject to receipt of all required regulatory approvals, including any required regulatory approval of any change of control of the Bank by the FDIC;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, it is agreed as follows:

1. Creation and Purpose of the Voting Trust.

(a) Subject to the terms and conditions hereof, a voting trust with respect to the Shares is hereby created and established in accordance with the laws of the State of New Jersey for good and valid business, administrative, and regulatory purposes. The voting trust created hereby shall become effective upon (i) the execution and delivery of this Voting Trust Agreement and the transfer of the Shares and issuance of a Voting Trust Certificate in accordance with Section 1(c), (ii) the receipt of all required regulatory approvals, including but not limited to the Board, the FDIC and the New Jersey Department of Banking, and (iii) the fulfillment or satisfaction of all other matters set forth herein as conditions precedent (the "Effective Date"). Counsel to the Grantor shall advise the Voting Trustee in writing when all required regulatory approvals other than for change of control of the Bank have been obtained, and the Voting Trustee shall have no duty or obligation to act pursuant to this Voting Trust Agreement in the absence of such written advice. A copy of this Voting Trust Agreement shall be deposited by the Grantor at the principal place of business of the Bank at 66 West Mt. Pleasant Avenue, Livingston, New Jersey 07039.

(b) The Voting Trustee accepts the voting trust created by this Voting Trust Agreement and agrees to serve as trustee hereunder, effective as of the Effective Date, subject to the terms and conditions hereof and with the express limitation that the Voting Trustee shall have no power or authority to sell or encumber the Shares, or Other Voting Securities (as hereinafter defined), if any, except as expressly provided in this Voting Trust Agreement.

(c) Promptly upon the execution and delivery of this Voting Trust Agreement, the Grantor shall deposit with the Voting Trustee the certificates evidencing the Shares, such certificates being duly endorsed for transfer to the Voting Trustee and accompanied by any other documentation or authorization as may be required by the Bank or the Bank's transfer agent; whereupon (i) the Voting Trustee shall surrender the certificates for the Shares to the Bank or its transfer agent for cancellation, so that a new stock certificate thereof shall be issued by the Bank to and registered in the name of the Voting Trustee, as voting trustee under this Voting Trust Agreement; and (ii) upon the Voting Trustee's receipt of such new stock certificate, the Voting Trustee shall issue and deliver to the NorCrown Trustee a voting trust certificate substantially in the form set forth in Section 2 hereof ("Voting Trust Certificate").

(d) The Grantor shall be the beneficiary of the trust created by this Voting Trust Agreement.

2. Voting Trust Certificate. The Voting Trust Certificate issued and delivered to the NorCrown Trustee shall be in substantially the following form, the terms of which are herein incorporated by reference:

VOTING TRUST CERTIFICATE

Number VTC-1

[5,249,750] Shares

THIS VOTING TRUST CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE VOTING TRUST AGREEMENT DATED AS OF JANUARY _____, 2005 BY AND BETWEEN THE TRUSTEE OF THE NORCROWN TRUST, AND _____, AS VOTING TRUSTEE, A COPY OF WHICH IS ON FILE AT THE OFFICE OF NORCROWN BANK AT 66 WEST MT. PLEASANT AVENUE, LIVINGSTON, NEW JERSEY 07039. SUCH COPY IS OPEN TO DAILY INSPECTION DURING BUSINESS HOURS BY ANY STOCKHOLDER OF NORCROWN BANK OR BY THE BENEFICIARY OF THE VOTING TRUST CREATED BY SUCH VOTING TRUST AGREEMENT.

THIS CERTIFIES THAT the trustee of The NorCrown Trust has deposited certificates evidencing [5,249,750] shares of common stock, [\$__] par value, of NorCrown Bank, a New Jersey bank, with the undersigned Voting Trustee pursuant to the aforesaid Voting Trust Agreement. The trustee of The NorCrown Trust, as holder of this certificate, will be entitled to receive from the Voting Trustee any dividends, liquidating or other distributions or net sale proceeds actually received and collected by the Voting Trustee on the above-stated shares, and, upon the termination of the Voting Trust Agreement, to delivery of such shares or the net proceeds actually received and collected by the Voting Trustee from the sale of such shares, as the case may be, but subject in all cases to such prior deductions, remittances and payments as may be made therefrom by the Voting Trustee, all as provided in and subject to the Voting Trust Agreement. The holder of this Certificate takes it subject to all the terms and conditions of the aforesaid Voting Trust Agreement and by acceptance of this Certificate acknowledges that receipt of this Certificate is for investment purposes and not with a view to distribution, and that this Certificate is and shall be nontransferable.

IN WITNESS WHEREOF, the Voting Trustee has signed this Certificate on _____, 2005.

[voting trustee], as Voting Trustee on behalf of the Voting Trust, and not individually

ACKNOWLEDGEMENT OF RECEIPT:

Trustee of The NorCrown Trust

3. Maintenance of Records: Replacement of Voting Trust Certificate.

(a) The Voting Trustee shall keep a list of the Shares and Other Voting Securities (as defined below), if any, transferred to the Voting Trustee, and shall also keep a record of the Voting Trust Certificate issued by the Voting Trustee, which record shall contain the name and address of the holder of the Voting Trust Certificate (which shall be the NorCrown Trustee, on behalf of the Grantor), the number and class of the shares represented by the Certificate, and the date when the Voting Trustee delivered the Voting Trust Certificate to the holder. Such list and record shall be open at all reasonable times to inspection by the Grantor.

(b) In case the Voting Trust Certificate shall become mutilated, lost, stolen, or destroyed, the Voting Trustee may provide for the issuance of a new Voting Trust Certificate in lieu of such lost, stolen, or destroyed Voting Trust Certificate or in exchange for such mutilated Voting Trust Certificate, subject to receipt of an unconditional indemnity from the holder requesting the replacement Voting Trust Certificate and under such other conditions as the Voting Trustee, in her reasonable discretion, may provide.

(c) The Voting Trustee shall maintain a record of all transactions by the Voting Trustee involving the Voting Trust Certificate (including any replacement certificate which may be issued pursuant to this Voting Trust Agreement).

(d) All books and records so maintained by the Voting Trustee with respect to the voting trust established by this Voting Trust Agreement shall be open to inspection by the Board and the FDIC.

4. Dividends and Distributions. The Voting Trustee shall receive and hold, subject to the terms of this Voting Trust Agreement, all dividends and other distributions declared and paid to the Voting Trustee on the Shares. The Voting Trustee shall distribute to the NorCrown Trustee all dividends and other distributions of property, except securities of the Bank that have voting rights on any matter, absolute or contingent ("Other Voting Securities"), that are declared and paid to the Voting Trustee on the Shares or Other Voting Securities, if any, held by the Voting Trustee hereunder; provided, that until the Grantor has paid the entire amount of all civil money penalties owed by the Grantor and, unless previously satisfied, by Charles Kushner, to the Board and the FDIC under the Joint Orders (and in this regard, the Voting Trustee shall be entitled to rely conclusively on any advice from the Board or the FDIC regarding any such amounts due or owing), any such dividend or distribution shall be remitted by the Voting Trustee to the Board and the FDIC to be applied toward payment of such civil money penalties; and provided, further, that the Voting Trustee may first deduct from any such dividend or distribution any amounts due or owing to the Voting Trustee under this Voting Trust Agreement. Such dividends or other distributions shall be remitted by the Voting Trustee as soon as reasonably practicable after the Voting Trustee's receipt of the dividends and other distributions. Other Voting Securities issued to the Voting Trustee shall be held by the Voting Trustee for the benefit of the Grantor subject to the terms and conditions of this Voting Trust Agreement.

5. Dissolution of the Bank.

In the event of the total dissolution or total liquidation of the Bank, whether voluntary or involuntary, the Voting Trustee shall be entitled to receive all funds, securities, rights, and other property distributed by the Bank in dissolution or liquidation in respect of the Shares or Other Voting Securities, if any, held by the Voting Trustee hereunder; provided that the Voting Trustee shall not be responsible for any income taxes or other taxes assessed or payable in connection with any such distribution. The Voting Trustee may first deduct from such funds, securities, rights and other property any amounts due or owing to the Voting Trustee under this Voting Trust Agreement, and shall then distribute any such funds to the Board and the FDIC in payment and to the extent of any unpaid civil money penalties payable by the Grantor to the Board and the FDIC under the Joint Orders (in this regard, the Voting Trustee shall be entitled to rely conclusively on any advice from the Board or the FDIC regarding any such amounts due or owing). The Voting Trustee shall remit to the NorCrown Trustee, on behalf of the Grantor, the remainder of such funds and other property, net of any reserve which the Voting Trustee may elect in her reasonable discretion to establish for anticipated costs, fees and expenses, in connection with any outstanding or overtly threatened claims in connection with or arising out of this Voting Trust Agreement. In no event shall the Voting Trustee have any duty or obligation to see to the NorCrown Trustee's application, distribution or disbursement of any funds or other property so remitted. Upon such remittance by the Voting Trustee, all further obligations or liabilities of the Voting Trustee to the Grantor or any other party in interest in respect of such funds, securities, rights, and other property so received shall cease and this Voting Trust Agreement shall terminate, except for the provisions of this Voting Trust Agreement which by their express terms survive termination. Any distribution in partial liquidation of the Bank shall be governed by Section 4, hereof.

6. Resignation or Removal of Voting Trustee. The Voting Trustee may at any time resign for any reason or no reason by providing to the Grantor, the Board, and the FDIC written notice of resignation, which shall take effect sixty (60) days thereafter or upon prior acceptance thereof; provided, that such resignation shall not be effective until the appointment of a Successor Voting Trustee (as defined below) in conformity with Section 7 hereof. The Voting Trustee will be deemed to have given notice of resignation if the Voting Trustee dies, or becomes disabled or otherwise unable to fulfill his or her duties hereunder for a period of sixty (60) consecutive days. The Board and the FDIC each shall be entitled to remove any Voting Trustee at any time in its discretion by written notice, and upon such removal the Voting Trustee so removed shall cease to have any further duties or obligations under this Voting Trust Agreement. The Voting Trustee may suspend the performance of her duties and obligations under this Voting Trust Agreement in the event of her disability, or during any period when the fees, costs and expenses of the Voting Trustee are not being paid on a current basis in accordance with Sections 11, 13 and 14.

7. Successor Voting Trustee. In the event of the resignation, death or removal of the Voting Trustee, or the disability of the Voting Trustee as provided in Section 6 hereof, the Grantor shall designate a successor Voting Trustee to fill the vacancy so occurring, subject to the prior approval of the Board and the FDIC. The rights, powers, and privileges of the Voting Trustee named hereunder shall be possessed by each successor Voting Trustee ("Successor Voting Trustee"). In the event that the Voting Trustee shall provide written notice of resignation under

Section 6 hereof and the effective date of such resignation is delayed beyond sixty (60) days from the date of such notice by the proviso in Section 6 hereof, then following consultation with the Grantor, the resigning Voting Trustee at his or her option may designate a person to serve as an interim Successor Voting Trustee, subject to the prior approval of the Board and the FDIC, and the resignation of the resigning Voting Trustee shall be effective upon the appointment of such interim Successor Voting Trustee. Any interim Successor Voting Trustee appointed under the immediately preceding sentence shall serve as, and have the rights, powers and privileges of, a Voting Trustee hereunder until such time as the Grantor shall designate a replacement Successor Voting Trustee with approval of the Board and the FDIC under this Section.

8. Voting Rights and Voting Trustee Qualifications.

(a) Subject to Section 9(b) hereof, the Voting Trustee, acting in her absolute discretion, shall have the exclusive right to vote the Shares and Other Voting Securities held by the Voting Trustee hereunder or to give written consents in lieu of voting thereon, in person or by proxy at any and all meetings of shareholders, or when such consents are given in lieu of such meetings, for whatever purpose called or held, and in any and all proceedings, whether at a meeting of the shareholders or as may be required or authorized by law; provided, that the Voting Trustee shall not vote the Shares or (if applicable) Other Voting Securities in favor of any matter submitted for shareholder approval that, if so approved, would cause an alteration to the articles of incorporation, by-laws, management or business plan of the Bank in any material respect without the prior approval of the FDIC (except to the extent the Voting Trustee otherwise deems reasonably necessary or advisable to carry out the sale or other disposition of the Shares and Other Voting Securities, if any, pursuant to Section 9 hereof and to comply with the Instructions (as defined in Section 9(c) hereof)).

(b) In the event of a shareholders meeting for

the election of directors, the Voting Trustee shall only nominate and vote to elect members of the Board of directors who are independent of Grantor and each of the other signatories to the Joint Order (“Independent Directors”); provided that if:

- (i) the number of existing Independent Directors is less than the statutory minimum under New Jersey law; and
- (ii) in the Voting Trustee’s discretion, it would be impractical to recruit qualified new Independent Directors; then

with the prior written consent of the FDIC, the Voting Trustee may nominate and elect or re-elect one or more directors who are not independent. Persons who are not independent include any member of the families of Charles Kushner and the other signatories to the Joint Order, or any officers or employees of any company or other entity controlled by any of the foregoing. The Voting Trustee shall not have or incur any liability to the NorCrown Trustee, the Grantor or any beneficiary or putative beneficiary under the Grantor’s trust agreement, any Successor Voting Trustee, the Bank, or any other person, for, with respect to, or on account of the Bank operating with less than the statutory minimum number of directors under New Jersey law in the event the

Voting Trustee has sought to obtain the FDIC's written consent to elect or re-elect one or more directors who are not independent and the FDIC has failed or refused to so consent.

(c) No person other than the Voting Trustee shall have any voting right in respect of the Shares or Other Voting Securities held hereunder so long as this Voting Trust Agreement is in effect. The Voting Trustee shall have no beneficial interest in the Shares or Other Voting Securities, if any, which interest shall reside with the Grantor. The Voting Trustee shall have no material financial, family, or business relationship with the Grantor, the Bank, or any signatories to the Joint Orders, other than the relationships established pursuant to this Voting Trust Agreement, and shall be compensated only as provided in Section 14 hereof. The Voting Trustee may not serve as a director, officer or employee of the Bank.

(d) The Voting Trustee shall act independently, but nothing contained in this Voting Trust Agreement shall preclude the Voting Trustee from consulting with such persons as the Voting Trustee may in her discretion from time to time elect, including the NorCrown Trustee, the Bank, the Board and the FDIC, state regulators, and financial and legal advisors. Except as otherwise expressly provided in Section 9(b) with regard to a change in the consideration payable for the Shares under a preexisting Definitive Sale Agreement (as defined below), the Grantor and the other persons or entities who have executed the acknowledgment to this Voting Trust shall not control or attempt to control the Voting Trustee in carrying out her responsibilities hereunder. From November 29, 2004 until the date a judgment of conviction is entered against Mr. Charles Kushner in the matter of *United States v. Kushner*, Crim. No. 04-6120 (D.N.J.), if later, Mr. Charles Kushner may assist the Voting Trustee with efforts to sell the Shares and Other Voting Securities under Section 9 hereof. After the date a judgment of conviction is entered against Mr. Charles Kushner in such proceeding, and before the date of his incarceration, the Voting Trustee may consult with Mr. Charles Kushner, and Mr. Charles Kushner may assist the Voting Trustee with such sales efforts as and to the extent requested by the Voting Trustee.

(e) The Voting Trustee shall advise the Grantor, the Board and the FDIC of any shareholder vote cast by the Voting Trustee in respect of the Shares or (if applicable) Other Voting Securities pursuant to this Section 8. Such report shall be made within twenty (20) days after the end of the calendar quarter in which the vote was taken.

9. Term and Termination; Sale of Shares.

(a) Unless sooner terminated in accordance with Section 5 hereof, the voting trust established by this Voting Trust Agreement shall continue in effect until the earliest of the following: (i) the consummation of the sale or other disposition of the Shares and Other Voting Securities, if any, such that, pursuant to Section 9(g) hereof, none of the Shares and Other Voting Securities are any longer held subject to the terms of such voting trust, and the remittance of the net proceeds thereof by the Voting Trustee in accordance with this Voting Trust Agreement; or

(ii) termination of the Voting Trust Agreement shall have been authorized by the Board and the FDIC and all necessary procedures as established by them in connection therewith shall have been completed; or (iii) June 30, 2006, unless the Board and the FDIC extend the term of this Voting Trust Agreement for such additional term or terms as they determine in their discretion (provided that unless she agrees otherwise in her sole discretion, the Voting Trustee named herein shall have no obligation to continue to serve as such during any extension term so authorized). Termination of the voting trust established by this Voting Trust Agreement shall have no effect on the continuing validity of the provisions of this Voting Trust Agreement which by their express terms survive termination.

(b) If on the Effective Date there is in effect an executory Definitive Sale Agreement (as hereinafter defined) entered into by the NorCrown Trustee on behalf of the Grantor prior to such date, providing for the sale or other disposition of the Shares and Other Voting Securities, if any, held by the Voting Trustee under this Voting Trust Agreement, the Voting Trustee shall vote the Shares and Other Voting Securities, if any, in favor of the Definitive Sale Agreement, oversee and use her reasonable best efforts to complete the sale of the Shares and Other Voting Securities, if any, in accordance with the terms of such executory Definitive Sale Agreement, including voting the Shares and Other Voting Securities, if any, in favor of the sale or other disposition if such matters are submitted by the Bank to a shareholder vote. If the Voting Trustee is requested by or on behalf of the purchaser or other acquiring person pursuant to the Definitive Sale Agreement (the "Acquiror"), the Bank, or anyone else, to agree or consent to amending such Definitive Sale Agreement in a manner that would result in a change in the consideration payable for the Shares and Other Voting Securities, if any, or to otherwise changing such consideration (in each case, a "Haircut"), the Voting Trustee shall not agree to the Haircut without obtaining prior consent from the then NorCrown Trustee. (A purchase price adjustment or other change in consideration expressly provided for and effectuated pursuant to a formula or other specific criteria set forth in the Definitive Sale Agreement shall not be considered a request for a Haircut requiring submission to and prior consent from the NorCrown Trustee.) If the Voting Trustee submits any such request for a Haircut to the NorCrown Trustee and does not receive a written response consenting to the Haircut from the NorCrown Trustee within three (3) business days, it shall be deemed that the NorCrown Trustee does not consent to the Haircut. In the event that the NorCrown Trustee does not consent or is deemed not to consent to the Haircut, then notwithstanding her own judgment as to the advisability of such course of action, the Voting Trustee shall not consent to the Haircut either, and shall have no liability whatsoever to any person or entity in doing so, irrespective of the consequences to the Definitive Sale Agreement, to the transaction contemplated by the Definitive Sale Agreement, to the Grantor, to any of its current or former beneficiaries or to the Bank, and even if as a result the Definitive Sale Agreement should be terminated or the Acquiror (or anyone else) should assert a claim of breach or entitlement to damages or other relief.

(c) If on the Effective Date there is no executory Definitive Sale Agreement in effect, or if there is but such Definitive Sale Agreement subsequently expires or is terminated without the sale or other disposition of the Shares and (if applicable) Other Voting Securities being consummated, or such Definitive Sale Agreement or the transaction contemplated by the Definitive Sale Agreement is disapproved by the Board, the FDIC, or any other applicable federal or state regulator (the Voting Trustee having no obligation to appeal or to request reconsideration of the disapproval), then the Voting Trustee shall use her reasonable best efforts to sell or other-

wise dispose of the Shares and (if applicable) Other Voting Securities, in accordance with the written instructions, dated the same date as this Voting Trust Agreement, provided to the Voting Trustee by the NorCrown Trustee, who by so doing represents and warrants that they have been approved by the Board and the FDIC (the “Instructions”).

(d) If (i) a sale or other disposition of the Shares and (if applicable) Other Voting Securities has not been consummated by September 30, 2005, and there is no executory Definitive Sale Agreement in effect at that time, or (ii) an executory Definitive Sale Agreement is pending on September 30, 2005, but subsequently expires or is terminated without the sale or other disposition of the Shares and (if applicable) Other Voting Securities being consummated, or such Definitive Sale Agreement or the transaction contemplated by the Definitive Sale Agreement is disapproved by the Board, the FDIC, or any other applicable federal or state regulator (the Voting Trustee having no obligation to appeal or to request reconsideration of the disapproval), then the Voting Trustee shall use her reasonable best efforts to sell or otherwise dispose of the Shares and (if applicable) Other Voting Securities in a manner consistent with Paragraph 1(g)(iv) of the Joint Orders.

(e) For purposes of this Voting Trust Agreement, a “Definitive Sale Agreement” shall mean (x) the “Agreement and Plan of Merger” dated November 9, 2004 among Valley National Bancorp, Valley National Bank, the Bank and the Grantor, while such agreement remains in full force and effect, and otherwise (y) a written contract containing the necessary terms for the sale or other disposition of all of the shares of the Bank held by the Grantor or Charles Kushner, or the Shares and (if applicable) Other Voting Securities held by the Voting Trustee under this Voting Trust Agreement, as the case may be, with such sale or other disposition subject only to (i) regulatory approval, (ii) a due diligence period of no more than 30 days ¶ after execution, and (iii) other terms and conditions customary in transactions of this type (as to which the Voting Trustee shall be entitled to rely conclusively on the advice, which may but need not be in writing, of financial advisors and legal counsel). Such sale or other disposition may include or be effected by a sale of the Shares and (if applicable) Other Voting Securities, by a merger, consolidation or similar transaction involving the Bank, or by a purchase of assets and assumption of liabilities transaction followed by liquidation or dissolution of the Bank, or by any other transaction accomplishing a similar result.

(f) Any sale or other disposition of Shares and (if applicable) Other Voting Securities held hereunder by the Voting Trustee must be approved by both the Board and the FDIC in writing, in addition to any other federal or state regulatory approvals required by law. The Shares and (if applicable) Other Voting Securities held hereunder shall not be sold or otherwise transferred by the Voting Trustee to any person who is not independent of Charles Kushner and the persons or entities who execute the acknowledgment to this Voting Trust Agreement, members of their families and entities controlled by any of the foregoing, or to any other transferee not approved by the Board, the FDIC or any other federal or state regulatory authority having jurisdiction to approve such transferee.

(g) Upon consummation of a sale or other disposition of the Shares and (if applicable) Other Voting Securities hereunder and the Voting Trustee’s receipt of the net proceeds from such sale or other disposition (provided that the Voting Trustee shall not be responsible for any income taxes or other taxes assessed or payable in connection with any such pro-

ceeds), the Voting Trustee shall remit to the Board and the FDIC, from the net proceeds actually received, the amount of any unpaid civil money penalties then owed to the Board and the FDIC by the Grantor and Charles Kushner under the Joint Orders (in this regard, the Voting Trustee shall be entitled to rely conclusively on any advice from the Board or the FDIC regarding any such amounts due or owing); provided, that the Voting Trustee may first deduct from such proceeds any amounts due or owing to the Voting Trustee under this Voting Trust Agreement. If any portion of the net proceeds from any such sale or other disposition shall be in the form of securities, rights or any property other than cash, the Voting Trustee shall use her reasonable efforts, but consonant with any restrictions imposed by the Definitive Sale Agreement and applicable securities laws and other laws, to liquidate for cash any portion of such securities, rights or other property as may be necessary to make the Grantor's required payment in cash to the Board and the FDIC (with the costs and expenses of sale, including any applicable commissions, to be for the Grantor's account); and with respect to any remaining securities, rights or other property not required to be liquidated for this purpose, the Voting Trustee shall direct the issuer to issue or register them directly to or in the name of the NorCrown Trustee or to such other persons as the NorCrown Trustee may designate. After deducting any amounts then due and owing to the Voting Trustee and after making payment to the Board and the FDIC in accordance with the foregoing, the Voting Trustee shall remit to the NorCrown Trustee, on behalf of the Grantor, the remainder of funds, securities, rights or other property representing the net proceeds from the sale or other disposition, but net of any reserve which the Voting Trustee may elect in her reasonable discretion to establish for anticipated costs, fees and expenses in connection with any outstanding or overtly threatened claims in connection with or arising out of this Voting Trust Agreement. In no event shall the Voting Trustee have any duty or obligation to see to the NorCrown Trustee's application, distribution or disbursement of any funds, securities, rights or other property so remitted. As a condition to receipt of the Voting Trustee's remittance, the NorCrown Trustee shall surrender the outstanding Voting Trust Certificates to the Voting Trustee, which shall then be cancelled, and upon making such remittance to the NorCrown Trustee all further obligations of the Voting Trustee to the Grantor in respect of any funds, securities, rights, or other property so received shall immediately cease, and the voting trust established by this Voting Trust Agreement shall terminate. For the avoidance of doubt, in the event that the Definitive Sale Agreement provides for an escrow, setaside or withholding of proceeds at closing in order to secure continuing indemnity or other obligations of the Bank or the Grantor following the consummation of the sale or other disposition of the Shares and (if applicable) Other Voting Securities, the remittance by the Voting Trustee to the NorCrown Trustee shall include all rights, claims and obligations with respect to the funds so escrowed, withheld or set aside, and the NorCrown Trustee, and not the Voting Trustee, shall exercise and perform all rights and obligations and make all decisions regarding the application, return or other disposition of the funds so escrowed, withheld or set aside. The Voting Trustee shall have no obligation, under this Voting Trust Agreement or otherwise, to administer, oversee or otherwise deal in any manner with such funds following the consummation of the sale or other disposition of the Shares and (if applicable) Other Voting Securities, and the existence of a post-closing escrow, setaside or withholding shall not serve to prolong the service of the Voting Trustee as such pursuant to this Voting Trust Agreement or to delay the termination, in accordance with this Paragraph 9(g), of the voting trust established by this Voting Trust Agreement. Likewise, the NorCrown Trustee, and not the Voting Trustee, shall be responsible for pursuing, defending or otherwise handling any post-closing claims (including claims for indemnification or for breach of representation, warranty or cove-

nant), post-closing adjustments or other post-closing matters arising out of or in connection with the Definitive Sale Agreement following the consummation of the sale or other disposition of the Shares and (if applicable) Other Voting Securities, and neither the existence or pendency nor the threatened or potential assertion of any such post-closing claims or adjustments shall serve to prolong the service of the Voting Trustee as such pursuant to this Voting Trust Agreement or to delay the termination, in accordance with this Paragraph 9(g), of the voting trust established by this Voting Trust Agreement.

(h) The Voting Trustee shall, starting with the calendar quarter ending March 31, 2005, report on a quarterly basis to the Board and the FDIC on the number of Shares and Other Voting Securities, if any, held pursuant to this Voting Trust Agreement and on the status of the Voting Trustee's efforts to sell the Shares and (if applicable) Other Voting Securities, and shall promptly advise the Board and the FDIC upon entering into any Definitive Sale Agreement or other transaction regarding the Shares or Other Voting Securities, if any.

(i) In the event that the Acquiror under a Definitive Sale Agreement is deemed to be in breach of its obligations prior to the consummation of the sale or other disposition of the Shares and (if applicable) Other Voting Securities, the Voting Trustee shall have discretion to pursue or not pursue, as she in her judgment deems appropriate (and having regard to such factors as she considers relevant, including the reasonable likelihood and scope of any recovery), any claims or remedies available as a result of the breach. Any costs and expenses incurred by the Voting Trustee in so doing shall be paid by or on behalf of the Grantor in accordance with this Voting Trust Agreement.

10. Additional Shares. Except as provided in this Voting Trust Agreement, the Voting Trustee shall not acquire any additional shares or other ownership interest in the Bank without the prior written approval of the Board and the FDIC. If any such instruments are acquired and made subject to the terms of this Voting Trust Agreement, the Voting Trustee shall cause additional Voting Trust Certificates to be issued hereunder as appropriate.

11. Expenses of the Voting Trustee. All costs and expenses incurred by or on behalf of the Voting Trustee in connection with or arising out of her service as such pursuant to this Voting Trust Agreement shall be for the account of the Grantor and not for her own account. Without limiting the generality of the foregoing, the Grantor specifically acknowledges that the Voting Trustee shall have the right to retain legal counsel, financial advisors and other professional advisors (who may or may not be the same as those currently rendering such services to the Bank or the Grantor) as the Voting Trustee may deem appropriate. All costs and expenses so incurred shall be charged to and paid by or on behalf of the Grantor within ten (10) business days after presentation of an invoice or other writing reasonably describing the costs and expenses and, subject to attorney/client privilege, the nature of the services rendered. The Grantor further acknowledges that the trust corpus is illiquid at the present time. In advance of and as a condition precedent to the Effective Date, the Grantor shall accordingly cause to be established a funding mechanism, satisfactory to the Voting Trustee in her sole discretion, to ensure that all fees, costs and expenses of the Voting Trustee (including but not limited to out-of-pocket costs and expenses pursuant to this Section 11, indemnity payments and legal fees and defense costs to be advanced pursuant to Section 13 (a) and (b), and the Voting Trustee's compensation pursuant to Section 14) shall be paid in full as and when due, and in any event not later than ten (10) busi-

ness days after invoice. Concurrently with the execution and delivery of this Voting Trust Agreement, the Grantor shall also cause to be paid the costs and expenses, including legal fees, incurred by the Voting Trustee in connection with the negotiation, execution and delivery of this Voting Trust Agreement. The Voting Trustee shall have no duty or obligation to act pursuant to this Voting Trust Agreement until such funding mechanism has been established and such initial payment of costs and expenses has been made. Further, the Voting Trustee shall be entitled to suspend the performance of her duties and obligations under this Voting Trust Agreement during any period when the fees, costs and expenses of the Voting Trustee are not being paid on a current basis in accordance with this Section 11 and Sections 13 and 14. The Voting Trustee may at any time, but shall not be obligated to, deduct fees, costs and expenses from any funds then held by the Voting Trustee for the benefit of the Grantor; however, neither the existence nor the absence of such available funds shall relieve the Grantor from the obligation to make payment, or to cause payment to be made, in accordance with the other provisions of this Section 11 and Sections 13 and 14.

12. Obligations and Liability of the Voting Trustee. The Voting Trustee shall have no obligations or responsibilities, by implication or otherwise, except for those that are expressly set forth in this Voting Trust Agreement. The Voting Trustee shall not be liable by reason of any matter or thing in any way arising out of or in relation to this Voting Trust Agreement except only for such loss or damage as the Grantor may suffer directly by reason of the Voting Trustee's bad faith or fraud (as determined by a final and unappealable order of a court of competent jurisdiction), and in any and all events, the NorCrown Trustee, on behalf of the Grantor, and each of the other signatories to this Voting Trust Agreement expressly waive any and all claims against the Voting Trustee for consequential, punitive or exemplary damages. The Voting Trustee when acting hereunder shall not be required to give a bond or other security for the faithful performance of her duties as such. The Voting Trustee may consult with legal counsel and other professional advisors and the advice of such counsel and professional advisors shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Voting Trustee hereunder in reliance thereon. The parties hereto hereby agree and understand that nothing contained in this provision shall be deemed to change any obligations, limitations or responsibilities which the Voting Trustee may have or be subject to under Federal or New Jersey state banking law or regulation.

13. Hold Harmless, Etc.

(a) The Voting Trustee shall not have or incur any liability to the NorCrown Trustee, the Grantor or any beneficiary or putative beneficiary under the Grantor's trust agreement, any Successor Voting Trustee, the Bank, the Acquiror or any other person, for, with respect to, or on account of, any loss, liability, judgment, claim, fine, penalty, damage, settlement obligation, cost or expense whatsoever (including, but not limited to, costs and expenses incurred in investigating, preparing, or defending against any litigation, commenced or threatened) arising out of, in connection with or based upon this Voting Trust Agreement or any action or failure to act on the part of the Voting Trustee (collectively, "Claims"), except for Claims (but even then only to the extent and subject to the same limitations as set forth in Section 12 above) arising out of the Voting Trustee's own bad faith or fraud. Each of the parties signing the Joint Order (other than the Board and the FDIC) shall, by written instrument, irrevocably covenant and agree never to sue or pursue any other legal or equitable remedy against the Voting Trustee based on or by

reason of any Claims except (but only to the extent and subject to the limitations set forth in such Section 12) for Claims arising out of the Voting Trustee's own bad faith or fraud.

(b) In the event that the Voting Trustee ever becomes or is threatened to be made a party to any proceeding, including but not limited to any proceeding brought by or in the right of the Grantor or any beneficiary or putative beneficiary under the Grantor's trust agreement or any proceeding challenging the validity of this Voting Trust Agreement or the authority of the NorCrown Trustee to enter into this Voting Trust Agreement, or becomes a subject of any inquiry or investigation that could lead to a proceeding, based on or in any way arising out of or in connection with this Voting Trust Agreement or any action or failure to act on the part of the Voting Trustee, the Grantor, Charles Kushner and Seryl Kushner shall, jointly and severally, indemnify, defend (with counsel selected by the Voting Trustee) and hold the Voting Trustee harmless in full against all loss, liability, judgments, claims, fines, penalties, damages, settlement obligations, and out-of-pocket costs and expenses (including but not limited to the fees and disbursements of the Voting Trustee's financial advisors, expert witnesses, and legal counsel) incurred by or asserted against the Voting Trustee in connection with such proceeding, inquiry or investigation; provided, however, that indemnification may not be paid where prohibited by federal or state banking law or regulation. As used in this Section 13(b), the term "proceeding" means any lawsuit, action or other proceeding, whether civil or criminal in nature, in or before any court, administrative or regulatory authority or agency, or arbitrator or mediator, including appeals and post-appeal proceedings. The indemnification provided for in this Section 13(b) shall include the advance of all such costs and expenses incurred by the Voting Trustee in advance of final disposition of the proceeding, and all costs and expenses incurred by or on behalf of the Voting Trustee in order to enforce the Grantor's, Charles Kushner's and Seryl Kushner's indemnification obligations hereunder; provided, that the Voting Trustee shall look to the Grantor, Charles Kushner and Seryl Kushner for indemnification only in the event and to the extent that such indemnification is not paid, advanced or provided pursuant to the insurance policy to be obtained pursuant to Section 13(c) below.

(c) If requested by the Voting Trustee as a condition precedent to the Effective Date, the Grantor shall cause to be issued, for the Voting Trustee's benefit but at no cost or expense to the Voting Trustee, an insurance policy, in form and substance and from an insurance carrier acceptable to the Voting Trustee, to protect the Voting Trustee against, and to indemnify and defend the Voting Trustee for, any potential loss, liability, claim, judgment, fine, penalty, damage, settlement obligation, cost and expense described in the foregoing provisions of this Section 13 ("Covered Claims"). Prior to the Effective Date (if requested by the Voting Trustee as a condition precedent to the Effective Date) and (if applicable) to each renewal date of the insurance policy, the Grantor shall provide or cause to be provided to the Voting Trustee proof that the insurance policy is in full force and effect and that the premiums for the policy period (which shall be not less than annual) have been paid in full. The insurance policy shall be maintained for the entire duration of the voting trust established by this Voting Trust Agreement and the Voting Trustee's service as such. If the insurance policy is of the "claims made" type, appropriate "tail" or equivalent coverage shall also be purchased to continue to protect the Voting Trustee, until the expiration of the applicable statute of limitations, with respect to Covered Claims that may be asserted or incurred after the conclusion of her service as Voting Trustee pursuant to

this Voting Trust Agreement. The Voting Trustee named herein shall have absolutely no obligation to perform any of the duties or functions of Voting Trustee, or to continue to perform such duties or functions, in the event that the insurance policy, if requested, is not obtained or is allowed to lapse, expire or be cancelled, whether for nonpayment of premiums or otherwise. In the event of any threatened lapse, expiration or cancellation of the insurance policy, the Voting Trustee shall have the right, but not the obligation, to advance the payment of policy premiums or to obtain a replacement insurance policy for the Voting Trustee's benefit, in which case all costs and expenses incurred by the Voting Trustee in so doing shall be paid by the Grantor, Charles Kushner and Seryl Kushner as indemnifiable charges pursuant to Section 13(b) , within ten (10) business days after presentation of an invoice.

14. Compensation for Services. During the period of service as a Voting Trustee, the Voting Trustee shall receive from the Grantor, within ten (10) business days after presentation of an invoice, the fees previously agreed upon in writing (as such fees may be modified from time to time by mutual agreement). The Grantor, Charles Kushner and Seryl Kushner unconditionally agree to pay such fees to the Voting Trustee, which shall be in addition to, and not in lieu of, the reimbursement of expenses provided for by Section 11 hereof and the other undertakings and obligations provided for herein, including but not limited to those contained in Section 13.

15. Survival; Other Matters.

(a) The provisions of Sections 11, 12, 13, and 14 hereof are of the essence of this Voting Trust Agreement and shall survive the sale or other disposition of the Shares and (if applicable) Other Voting Securities, the resignation or removal of the Voting Trustee, the termination of the voting trust created hereby, and the termination of this Voting Trust Agreement. They may be enforced by the Voting Trustee and by anyone succeeding to her rights and remedies, including heirs and the legal representatives of her estate.

(b) This Voting Trust Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. No Successor Voting Trustee shall be liable for any act, omission, or any default of any predecessor Voting Trustee and vice versa and no Successor Voting Trustee shall have any duty to investigate any events or circumstances which may have occurred prior to his or her appointment.

(c) This Voting Trust Agreement shall not confer any rights or remedies upon any person or entity other than the parties and their respective successors and assigns. No person or entity is an intended third party beneficiary of any provision of this Voting Trust Agreement.

(d) This Voting Trust Agreement may only be amended by an instrument in writing signed by the NorCrown Trustee on behalf of the Grantor and the Voting Trustee, with the approval of the Board and the FDIC.

(e) Every person (other than the Voting Trustee herself) signing this Voting Trust Agreement as trustee or in other than an individual capacity represents and warrants, by so doing, that he or she is duly authorized and empowered pursuant to the terms of the underlying trust instrument or other governing document to sign for and bind such trust or other person or

entity, and that this Voting Trust Agreement is the legal, valid, binding and enforceable obligation of such trust or other person or entity.

16. Construction. The term “Voting Trustee” as used herein shall be deemed to mean the Voting Trustee named herein and any Successor Voting Trustee.

17. Counterparts; Entire Agreement. This Voting Trust Agreement may be executed in counterparts, including counterparts exchanged by fax or by email, and each shall be deemed to be an original. This Voting Trust Agreement expresses the entire agreement between the parties and is irrevocable except as expressly provided herein.

18. Notices. Any notice pursuant to this Voting Trust Agreement shall be in writing and shall be deemed sufficiently given when delivered in person, when sent by certified mail, return receipt requested, from any post office in the continental United States, or when consigned to FedEx or other private courier service for next business day delivery, in each case addressed to the recipient as set forth below or to such other address as such person may hereafter furnish in a notice to the others:

Voting Trustee

with a concurrent copy to:

Joel D. Siegel, Esq.
Orloff, Lowenbach, Stifelman & Siegel, P.A.
101 Eisenhower Parkway
Roseland, New Jersey 07068

Grantor

The NorCrown Trust
c/o Kushner Companies
18 Columbia Pike
Florham Park, NJ 07932

Federal Reserve System

William T. Rutledge
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

Richard M. Ashton, Esq.
Associate General Counsel
Board of Governors of the Federal
Reserve System
20th & C Streets, N.W.
Washington, D.C. 20551

FDIC

Mr. Christopher Spoth
Regional Director
Federal Deposit Insurance Corporation
20 Exchange Place
New York, New York 10005

A.T. Dill, III, Esq.
Senior Counsel – Enforcement
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Notices shall be deemed received by the recipient upon actual receipt or upon the recipient's refusal to accept delivery, as the case may be.

19. Governing Law. This Voting Trust Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey. The signatories consent and submit to the jurisdiction of the New Jersey courts, state and federal, in any proceeding based on or arising out of this Voting Trust Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and in the case of the NorCrown Trustee on behalf of the Grantor set opposite its signature the number of Shares initially deposited by it hereunder.

**Number of Shares to be
Deposited hereunder
[5,249,750]**

_____, as Trustee of
The NorCrown Trust

CHARLES KUSHNER, individually

SERYL KUSHNER, individually

[trustee], as Voting Trustee
under this Voting Trust Agreement,
and not individually

Acknowledged and agreed as of the dates set forth below:

Charles Kushner

Date

[Name],
as Voting Trustee under this Voting Trust Agreement
and not individually

Date