

29. Crabb later also opened accounts for Ristow at banks outside New Jersey that allowed mail-in deposits. In accordance with Ristow's instructions, Crabb opened accounts in his own name, as well as joint accounts with Ristow, Ristow's wife and Ristow's three minor children. Crabb also allowed Ristow and Ristow's family members to use Crabb's home address so that the accounts did not arouse any suspicion.

30. To help Ristow open an account at Affinity Federal Credit Union ("Affinity"), a New Jersey-based credit union, Crabb applied for member benefits at Affinity on behalf of his New Jersey-based consulting firm, Mercury Solutions LLC ("Mercury"), even though Crabb was Mercury's only full-time employee. Crabb wrote a letter to Affinity stating that Mercury "would like to offer credit union benefits to Mercury Solutions LLC and our employees." After Affinity accepted Mercury's application, Crabb sent a letter to Affinity on Mercury letterhead falsely documenting a "new sales position" for which Mercury had supposedly hired Ristow. Crabb knew that this letter was a sham, as Ristow had never performed any work for Mercury and Crabb had no intention of hiring him. Crabb wrote this letter for the sole purpose of enabling Ristow to open an account at Affinity in contravention of Affinity's eligibility requirements.

31. Crabb used similar tactics to open other accounts for Ristow. On one occasion, a local branch of a New Jersey-based bank rejected Crabb as a depositor because he did not reside or work in the bank's local community. At Ristow's urging, Crabb approached the headquarters branch of the same bank and this time persuaded that branch to allow Crabb to open an account. In 2004, a Miami, Florida-based credit union initially rejected Crabb's account application, because Crabb lacked a Florida address. At Ristow's direction, Crabb obtained a post office box in Miami to make it falsely appear that Crabb resided there, and Crabb's second application to the credit union was accepted. Ristow paid the fees associated with opening and maintaining the

Miami post office box. In 2005, Crabb moved from New Jersey to Ohio. To avoid losing the New Jersey-based accounts, Crabb, again acting at Ristow's direction, obtained a post office box in New Jersey and changed the address on all his New Jersey bank accounts to that post office box address rather than to his new residence in Ohio. Ristow again paid the fees associated with the post office box.

32. Crabb sometimes attempted to negotiate a larger share of the stock sale profits for himself. For example, after the conversion of Investors Bancorp, Inc. ("Investors") in October 2005, the stock price rose only slightly and Crabb persuaded Ristow to let Crabb keep one-third of the proceeds rather than the usual 25 percent. Ristow and Crabb created their own profit-loss reconciliations for the Investors offering, and both reconciliations show that Crabb ultimately kept 33 percent of the stock sale proceeds.

33. In all, Crabb served as Ristow's nominee, and thus made misrepresentations, in seven oversubscribed public offerings of stock issued by converting banks. Crabb read all the relevant offering documents and was aware of the prohibitions against transferring ownership of subscription rights or entering into any agreement regarding the sale or transfer of shares purchased in the offerings. Accordingly, Crabb knew that the statements he made in the stock order forms and subscription agreements for those seven offerings -- that he had not entered into any such transfers or agreements -- were false and misleading.

Gitlin's Role and Knowledge of the Fraud

34. Gitlin's principal role in the scheme was to open bank accounts on Ristow's behalf. The number of shares that Ristow was able to purchase through his own family was limited by restrictions on the aggregate number of shares eligible for purchase by members of a

nuclear family. Gitlin understood the relevant purchase restrictions and that, by acting as Ristow's nominee, she enabled Ristow to purchase more shares than he was entitled to under the law.

35. At Ristow's direction, Gitlin opened accounts in her own name, joint accounts in her and Ristow's names and trust accounts in Ristow's children's names throughout Virginia. As he traveled around the country, Ristow also opened joint accounts in his and Gitlin's names outside Virginia. Ristow put his own address on the joint accounts when they were opened. However, Ristow had Gitlin change the address to her Virginia home once a bank announced a conversion, so that Gitlin's purchase request would not automatically be aggregated with that of the other Ristow accounts. For example, after Kearny Financial Corporation ("Kearny"), a New Jersey mutual bank, announced its intention to convert to stock ownership in September 2004, Ristow directed her to change her address on the joint account statement to her own Virginia residence. Gitlin did so, and later purchased shares of Kearny stock with funds provided by Ristow, while Ristow and members of his immediate family still ordered the maximum group allotment of 75,000 shares. Gitlin failed to disclose in her stock order form that she was purchasing the stock with Ristow's money and otherwise acting in concert with him.

36. Ristow maintained unfettered control over the disposition of the shares purchased in Gitlin's name. On three occasions, Ristow directed Gitlin to transfer the shares for less than the market price to entities that Ristow controlled or to Ristow's minor son, whereupon Ristow sold the shares into the market and kept the difference. In 1999, Ristow directed Gitlin to transfer 4,343 shares of American Financial Holdings, Inc. stock held in Gitlin's name to Ristow's then two-year old son on the stock's first day of trading for \$10.25 per share. The stock traded between \$12.60 and \$12.80 in the market that day. In September 2002, Ristow directed

Gitlin to transfer 4,000 shares of Synergy Financial Group, Inc. stock held in Gitlin's name to the Ristow Family Partnership LP for \$10.125 per share even though the stock was trading between \$12.88 and \$13.15 that day. In 2004, Ristow directed Gitlin to transfer 27,959 shares of NewAlliance stock held in Gitlin's name to Ristow Management Inc. at \$13.00 per share even though the stock was trading between \$14.53 and \$15.72 that day. In each instance, Gitlin had falsely certified to the banks that she was purchasing the stock for her own account and that there was no agreement or understanding regarding the sale or transfer of any shares she would receive.

37. In all, Gitlin served as Ristow's nominee, and thus made misrepresentations, in fifteen oversubscribed public offerings of stock issued by converting banks. Gitlin read the relevant offering documents and was aware of the prohibitions against transferring ownership of subscription rights or entering into any agreement regarding the sale or transfer of shares purchased in the offerings. Accordingly, Gitlin knew that the statements she made in the stock order forms and subscription agreements for those fifteen offerings -- that she had not entered into any such transfers or agreements -- were false and misleading.

The Defendants' Ill-Gotten Gains

38. For over a decade, Ristow used his nominees to illegally obtain subscription rights and profit at the expense of innocent depositors in the 23 oversubscribed mutual bank conversions identified in Appendix A. In each instance, Ristow had his nominees subscribe for a specified number of shares, often the maximum individual allotment, and wired money to the nominees' accounts to fund the stock purchases. To conceal the arrangement, Ristow caused his nominees to misrepresent to the banks the source of the purchase funds and the absence of any agreements with respect to the shares. Once the shares were issued, Ristow directed Crabb and

Gitlin to sell the shares held in their names, and Crabb and Gitlin would then wire Ristow either the full amount of the proceeds or Ristow's predetermined share. Ristow also made misrepresentations on the stock order forms he submitted in his own name by failing to disclose, where called for, that he was acting in concert with and funding other subscribers.

39. The Defendants profited from the fraud. Ristow made approximately \$2.85 million in ill-gotten gains from the 23 oversubscribed conversions. Crabb received a total of \$98,628 in illegal profits from Ristow as compensation for helping to implement the scheme. Gitlin received \$164,761 in illegal profits from Ristow as compensation for her participation in the scheme.

Example of the Defendants' Scheme: Provident Financial Services, Inc.

40. The Defendants' conduct in the following bank conversion illustrates how the scheme worked and the role knowingly played by each of the Defendants.

41. Provident Financial Services Inc. ("Provident") is a Delaware Corporation formed in 2003 with its principal place of business in Jersey City, New Jersey. Its common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. Provident is the holding corporation for and successor to Provident Bank, formerly a New Jersey chartered mutual savings bank.

42. Ristow initially established nominee accounts at Provident Bank through Crabb in December 1997 and later added accounts in Gitlin's name. In April 2002, Provident announced that it would be converting from mutual to stock ownership and filed a registration statement on Form S-1 with the Commission later that year. The bank offered shares to four tiers of investors. In accordance with New Jersey banking regulations, the first tier consisted of depositors who had accounts of \$50 or more as of March 31, 2001.

43. As set forth in the prospectus, individual depositors could subscribe for a maximum of 52,000 shares at \$10 per share, and no “group of individuals,” including anyone defined as an “associate” or any individuals “acting in concert,” could purchase more than 70,000 shares. Provident defined “associate” to include a depositor’s parents, spouse, sister, brothers, or children and anyone married to the foregoing, regardless of their age or residence. The term “acting in concert” was defined as “the knowing participation in a joint activity or interdependent conscious parallel action towards a common goal whether or not pursuant to an express agreement.”

44. To purchase shares, eligible account holders had to complete and sign a stock order form and remit full payment. The order form required each subscriber to certify, among other things, that he or she is “purchasing shares solely for my own account,” and that “there is no agreement or understanding regarding the sale or transfer of such shares, or [his or her] right to subscribe for shares.” The order form also required the account holder to disclose whether “any associates or persons acting in concert with you have submitted other orders for shares.”

45. In September 2002, Ristow wrote to Gitlin instructing her to change the address on her two Provident accounts from Ristow’s address in Indiana to Gitlin’s Virginia residence. The letter stated that Provident “is converting in December or thereafter and we do not want to be classed as a group.” On December 10, 2002, Ristow wired Gitlin \$200,000 to purchase 20,000 shares of Provident stock and wired Crabb \$420,000 to purchase 42,000 shares of Provident stock.

46. On December 10, 2002, Gitlin and Crabb submitted their stock order forms, in which they falsely certified that there was no agreement or understanding to transfer the shares or proceeds of their subsequent stock sales. They also failed to disclose that they was using

Ristow's money to purchase the shares for Ristow and otherwise acting in concert with him. At the same time, Ristow, in his own name and on behalf of his three minor children, ordered the maximum 70,000 shares of Provident stock. Ristow also failed to disclose that he was acting in concert with Crabb and Gitlin.

47. On Provident's first day of trading in January 2003, the stock rose 55 percent to close at \$15.50 per share. Industry analysts predicted that the stock price would continue to rise, and Ristow therefore instructed Crabb and Gitlin to hold their shares. Because Ristow needed money to fund several upcoming conversions, however, he directed Crabb and Gitlin to margin their Provident shares and send him the proceeds from the margin loans. Crabb and Gitlin margined their shares for \$297,000 and \$380,000, respectively, and then wired those funds to Ristow. Ristow paid the fees associated with both margin loans.

48. In January 2004, Provident stock was trading at approximately \$19 per share, and Ristow instructed Crabb and Gitlin to sell all their Provident holdings. Before dividing the profits, Ristow told Gitlin to purchase a boat worth approximately \$22,000, which would be kept at the vacation home jointly owned by Ristow's wife and Gitlin, and a bicycle worth \$3,500 for Ristow. Ristow also directed both Crabb and Gitlin to make monetary "gifts" to Ristow's three minor children. Ristow's P&L reconciliation for Provident allocates those purchases and "gifts" to Ristow's share.

49. Ristow made a combined profit of \$828,041 on the sale of Crabb's and Gitlin's Provident shares and the shares that he purchased in his own name. Of this amount, Ristow made \$171,000 on the shares purchased in Crabb's name and \$138,000 on the shares purchased in Gitlin's name. According to Ristow's P&L reconciliation, Crabb was to receive 32 percent of his net sales proceeds and Gitlin was to receive 25 percent of her net sales proceeds. However,

Ristow unilaterally reduced their shares. Instead, Crabb made a profit of \$63,426, and Gitlin made a profit of \$10,352.

CLAIM FOR RELIEF

**Violations of Section 10(b)
of the Exchange Act and Rule 10b-5**

50. The Commission repeats and realleges the allegations contained in paragraphs 1 through 49 by reference as if fully set forth herein.

51. The Defendants, directly or indirectly, singly or in concert, by use of the means or instrumentalities of interstate commerce or of the mails, or of the facilities of a national securities exchange, in connection with the purchase or sale of securities, knowingly or recklessly, have: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material fact, or omitted to state material facts necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which operated or would have operated as a fraud or deceit upon any person.

52. As part and in furtherance of the fraudulent scheme and other violative conduct described above, the Defendants, directly or indirectly, singly or in concert, employed the deceptive devices and contrivances and made the misrepresentations and omitted to state the facts alleged above in paragraphs 1-6 and 12-49.

53. The false and misleading statements and omissions made by the Defendants, more fully described above in paragraphs 1-6 and 12-49, were material.

54. The Defendants knew, or were reckless in not knowing, that these material misrepresentations and omissions, more fully described above in paragraphs 1-6 and 12-49, were false or misleading.

55. By reason of the acts, statements, omissions, practices, and courses of business alleged herein, the Defendants, singly or in concert, directly or indirectly, have violated, and unless enjoined will again violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

56. By reason of the foregoing, the Defendants, singly or in concert, directly or indirectly, also aided and abetted violations, and unless enjoined will again aid and abet violations, of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Commission respectfully requests that this Court enter a Final Judgment:

I.

Permanently enjoining and restraining each of the Defendants, their agents, servants, employees and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating, directly or indirectly Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

II.

Ordering each of the Defendants to disgorge the ill-gotten gains they received from the violations alleged herein, and to pay prejudgment interest thereon.

III.

Ordering each of the Defendants to pay civil monetary penalties pursuant to Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

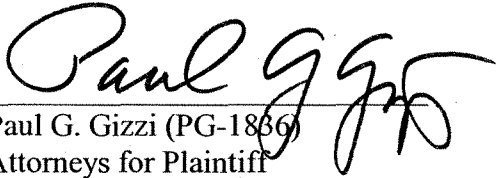
IV.

Granting such other and further relief as this Court deems appropriate.

Dated: September 24, 2007
New York, New York

MARK K. SCHONFELD
Regional Director
Northeast Regional Office

By:


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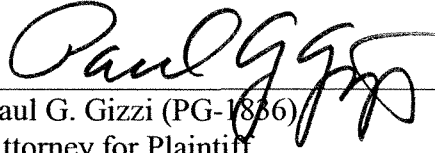
David Rosenfeld
George N. Stepaniuk
Daniel L. Zelenko
Maureen F. Lewis

Appendix A

<u>Bank</u>	<u>Conversion Date</u>
Life Bancorp, Inc. (LIFE)	10/12/1994
First Bell Bancorp, Inc. (FBBC)	06/29/1995
American Financial Holdings, Inc. (AMFH)	11/30/1999
City Savings Financial Corp. (CSFC)	12/24/2001
First Pctrust Bancorp Inc. (FPTB)	08/23/2002
Synergy Financial Group, Inc. (SYNF)	09/17/2002
Provident Financial Services (PFS)	01/16/2003
Ranier Pacific Financial Group (RPFPG)	10/21/2003
Cheviot Financial Corp. (CHEV)	01/06/2004
Citizens Community Bancorp, Inc. (CZWI)	03/30/2004
NewAlliance Bancshares Inc. (NAL)	04/02/2004
Home Federal Bancorp, Inc. (HOME)	12/07/2004
Lincoln Park Bancorp (LPBC)	12/20/2004
Royal Financial Inc. (RYFL)	01/21/2005
Kearny Financial Corp. (KRNY)	02/24/2005
United Financial Bancorp, Inc. (UBNK)	07/13/2005
Wauwatosa Holdings, Inc. (WAUW)	10/05/2005
Investors Bancorp, Inc. (ISBC)	10/12/2005
Lake Shore Bancorp, Inc. (LSBK)	04/05/2006
NorthEast Community Bancorp (NECB)	07/06/2006
Roma Financial Corp. (ROMA)	07/12/2006
Citizens Community Bancorp, Inc. (CZWI)	11/01/2006
Oritani Financial Corp. (ORIT)	01/24/2007

Certification

Pursuant to Local Rule 11.2, I certify that the matter in controversy alleged in the foregoing Complaint is not the subject of any other action pending in any court, or of any pending arbitration or administrative proceeding.



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