

AFFIDAVIT

I, Donald C. McQueen, being sworn, depose and state the following:

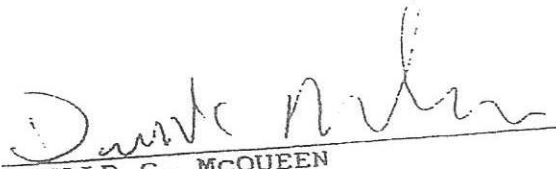
1. I was employed as Senior Vice President of Eastland Bank from June 1991 through December 1992. As such I was responsible for the management, administration, and resolution of the bank's non-performing loans. One of those loans was to Cumberland Investment Corporation.
2. Prior to my coming to Eastland Bank, Cumberland had been petitioned into bankruptcy, so during the time I worked at Eastland Bank I was involved with the activity of the Trustee in bankruptcy and his efforts to efficiently secure, appraise, and liquidate the assets of Cumberland.
3. During my stay at Eastland Bank, the bank, at the request of the Trustee, provided financing to enable the Trustee to collect and administer the assets of the bankrupt estate. To the best of my recollection over \$200,000 was used by the Trustee to collect, secure, store, and safeguard the coins and other tangible assets of Cumberland. Part of that expenditure by the bank was to pay the fees of the attorney for the Trustee.

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4. In addition to providing financing for the Trustee, Eastland Bank also expended large sums of money for its own counsel who represented the bank during the long and arduous bankruptcy proceedings of Cumberland. I do not recall how much was spent by the bank for its legal counsel but I do recall it was a substantial amount of money, and included fees for the bank to defend itself when it was sued by Wescap, the parent company of Cumberland.

5. In my opinion, based on my knowledge and experience, which includes 11 years in the banking business prior to being employed by Eastland Bank, the Cumberland loan, which amounted to \$2,500,000 at the time Cumberland went into bankruptcy, was one of the largest commercial bank loans extended by Eastland Bank at that time; when it defaulted it contributed to a large degree to the eventual failure of Eastland Bank. Not only did the bank lose \$2,500,000 in principal but it also lost substantial income that should have been generated from such a loan. In addition, the bank lost the use of the monies it had to expend to assist the Trustee and to pay its own attorneys. All in all the bank lost a great deal more than the principal amount of \$2,500,000. These factors significantly contributed to the demise of the bank, resulting in an inconvenience to the people of Rhode Island and neighboring Massachusetts who are the bank's depositors and customers. It also resulted in the loss of several hundred jobs at the bank.

6. As the result of the loss of these monies the equity capital of the bank became seriously impaired, so much so that the Federal Deposit Insurance Corporation issued a cease and desist order which affected the bank's ability to compete and operate in a normal fashion. When I joined Eastland Bank the cease and desist order had already been issued by the Federal Deposit Insurance Corporation and it was very difficult for the bank to function in a normal capacity while I was employed there.


DONALD C. MCQUEEN

Subscribed and sworn to before
me this 16th day November, 1993,
at Providence, Rhode Island.


NOTARY PUBLIC

My Commission expires June 17, 1995

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