

**ROBERT H. GAUGHEN, ESQ.
CAMPAIGN FOR ELECTION OF DIRECTORS
IN OPPOSITION TO THE MANAGEMENT OF
HINGHAM INSTITUTION FOR SAVINGS**

PROXY STATEMENT

**Annual Meeting of Stockholders
to be held on April 29, 1993**

Under the poor "leadership" of your Bank's present Board of Directors:

1. The FDIC has required that the Bank enter into a Memorandum of Understanding for the purpose of restoring "stability and soundness" to the Bank.
2. In the years 1989 through 1991, the Bank lost a total of over \$8 million or approximately 40% of the Bank's net worth.
3. Despite an extremely favorable interest rate environment in 1992, the Bank had no net operating income (prior to sales of a Bank branch and securities and other non-recurrent items of non-interest income).
4. All dividends to shareholders have been terminated.
5. The Chairman and management have received bonuses and pay raises while the Bank was losing 8 million dollars.
6. The former President of the Bank is under criminal investigation for alleged bank fraud and payoffs. His nominees continue to set policy at the Bank.
7. The management nominees who are presently on the Board voted during the past year to originate a \$5 million loan to a dog racing track located outside of our primary market area while ignoring local home mortgage needs.

This Proxy Statement and the enclosed BLUE Proxy Card are furnished to you by the undersigned, Robert H. Gaughen, Sr., in connection with my solicitation of proxies for use at the Annual Meeting of Stockholders of Hingham Institution for Savings (the "Bank") scheduled to be held on Thursday, April 29, 1993 at 4 p.m. Boston time, at South Shore Country Club, 274 South Street, Hingham, Massachusetts, and any and all adjournments thereof (the "Annual Meeting"). This Proxy Statement and the enclosed BLUE Proxy Card will first be mailed to holders of the Bank's Common Stock on or about March 26, 1993.

In opposition to management and the Board of Directors, I am proposing six nominees for election as directors of the Bank.

IMPORTANT

YOUR VOTE IS IMPORTANT. The reasons for my solicitation are explained in this Proxy Statement and accompanying letter, which you are urged to read carefully. If you agree with my positions and believe, as I do, that the representation of my nominees on the Board can make a difference, no matter how many or how few shares you own, please vote FOR my nominees by promptly signing and dating the enclosed BLUE Proxy Card and mailing it in the envelope provided.

I beneficially own an aggregate of 106,850 shares or 8.5% of the outstanding Common Stock. My holdings, according to public filings, represent the second largest individual stockholdings in the Bank. I have held nearly a third of my shares since 1989, the year in which the Bank was converted to a stock institution. I have more than thirty (30) years' experience in the banking industry. I have served as President and Chairman of a successful publicly traded savings bank on the South Shore.

REASONS FOR THE SOLICITATION AND THE CAMPAIGN'S PROGRAM

My nominees, if elected, will aggressively pursue various means to maximize long-term stockholder value, including a review of the Bank's operations and policies, a thorough investigation of the qualifications and performance of management and an effort to increase the Bank's penetration of the local market.

In my opinion, the current Board of Directors and management of the Bank have taken a number of actions which I believe are endangering the long-term value of the Bank.

A CHANGE IN LEADERSHIP—A NEW STRATEGIC DIRECTION

The slate of nominees which I have proposed has, among them, substantial business and banking experience. They believe that a community bank can survive and prosper with strong management and a committed and capable Board of Directors. They are committed to a strategy which maximizes residential mortgage lending in our local communities. They believe that there is a place for conservative commercial lending in our local market area, but it must be closely supervised by knowledgeable, experienced directors who have substantial ownership interests in the Bank.

The individuals whom I have nominated received the support of seven (7) out of the 17 present members of the Board of Directors when their names were presented to the Board of Directors for nomination.

Nine (9) of the ten (10) directors who opposed my nominees were elected to the board during the tenure of the former president, who is presently under criminal investigation.

Most of the seven (7) directors who voted to nominate the six nominees as the Board's official slate have joined the Board since the removal of the ex-president.

Their interests in improving the Bank are the same as your own.

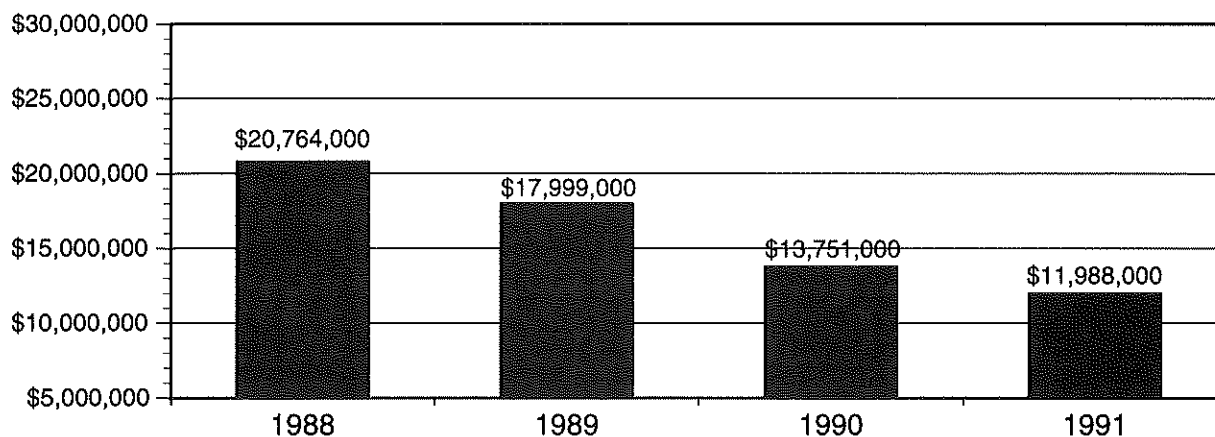
MEMORANDUM OF UNDERSTANDING

A Memorandum of Understanding is the initial step taken by regulators to prohibit the continuation of unsafe and unsound banking practices. In March of 1992 the Federal Deposit Insurance Corporation ("FDIC") required the Bank to enter into a written agreement for the purpose of restoring "stability and soundness" to the Bank. This action was the result of losses incurred on loans approved by Directors Pyne, Nardo and Sears (management's nominees). Mr. Pyne was the Chairman of the Board of the Bank during the time when these loans were made. He additionally served on the committee which was responsible for giving close scrutiny to these loans. In fact, I have evidence that he signed the "appraisal" on several of these loans without ever seeing the properties. How many other loans are like this? We cannot afford a continuation of such "leadership."

LOSS OF STOCKHOLDERS' EQUITY

On December 31, 1988 Mr. Gerard Pyne was Chairman of the Board of the Bank. Messrs. Vito Nardo and Russell Sears were directors. In the annual report to shareholders for that date they told you that stockholders' equity totaled \$20,764,000. Little did we know that under their direction the bank had engaged in unsound lending practices. Over the next three years this had a devastating impact on stockholders' equity.

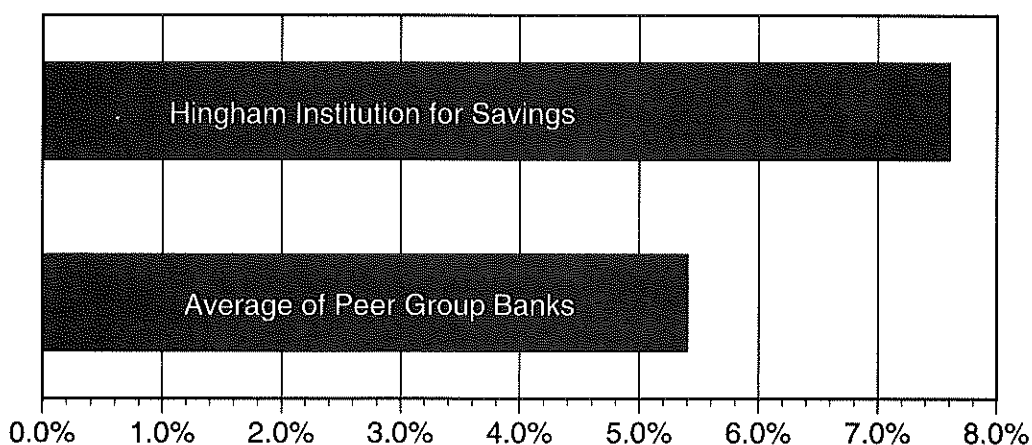
Stockholders' Equity at December 31, 1988, 1989, 1990 and 1991



We must not forget that these losses occurred and should hold those responsible for them accountable.

The deficiencies in loan underwriting practices and documentation, which were tolerated by management's continuing nominees, are still costing stockholders money. Our extremely high level of nonperforming assets is a result of those practices. Indeed, Hingham's level of nonperforming assets is 40% higher than that of similar banks in Massachusetts.

Nonperforming assets as a percentage of total assets



These figures have been taken from a presentation prepared by BEI Golembe, the banking consultants to Hingham Institution for Savings, dated December 16, 1992.

Despite these extraordinary and continuing loan problems, management's nominees have not learned their lesson.

FAILURE TO PRUDENTLY SERVE COMMUNITY

During the past twelve months, management's continuing nominees voted in favor of originating a \$5,000,000 loan to a dog racing track located outside of our primary market area. This vote demonstrates an astounding lack of understanding of the painful lessons of the Eighties. For a small community savings bank to undertake a loan of this nature would be extremely foolish. Nevertheless, Messrs. Pyne, Nardo and Sears all voted in favor of this loan. Is this the sort of Director that will protect your interests? The same individuals who voted in favor of this dog track loan have passively tolerated the failure of management to actively seek strong lending opportunities in our own communities. In 1992, in the Towns of Hingham and Hull approximately 347 real estate transfers were recorded. Our bank financed only 10 of them according to Banker's and Tradesman data. The failure to seek profitable, local lending opportunities has resulted in the Bank having one of the lowest levels of real estate loans as a percentage of assets of any of the banks in its peer group. This has had a direct and substantial negative impact on operating earnings.

NO NET OPERATING INCOME

Management has told us that the Bank made \$1.5 million in 1992. Don't be fooled! This result was accomplished only by selling off valuable bank assets.

Over the past twelve (12) months, short-term interest rates have reached the lowest levels in decades. This has allowed the banking industry a window of opportunity to achieve an extremely favorable spread between its interest expense and its interest income. Operating incomes throughout the industry have soared.

Despite this environment, our net operating income for 1992, before sales of a bank branch and securities and other non-recurrent items of non-interest income, was in the red. This is the case, notwithstanding the fact that we paid no federal income taxes. This is attributable to the fact that our loan yield is lower than average and our nonperforming assets are higher than average. Management's continuing nominees voted against the hiring of a senior officer, whose only function would have been to reduce nonperforming assets. They argued that we didn't need such an individual. Instead, we have left the job of reducing delinquent loans to the same people who were responsible for originating them in the first place. The results have been predictably poor.

NO DIVIDENDS WITH CURRENT MANAGEMENT

In the Memorandum of Understanding with the FDIC, the Bank has committed itself to paying no dividends without the prior approval of the FDIC. Given the present level of problem assets, it is highly unlikely that any such approval would be given. Dividends were last paid in 1989.

In order to restore the dividends that many stockholders believed they would be receiving, a much more vigorous program of disposing of problem assets must be adopted.

A CHANGE IN LEADERSHIP—A NEW DIRECTION

If this proxy contest is successful, I sincerely hope that other board members, including the slate I have nominated, will assent to the shareholders' concerns, and support a number of initiatives which I believe should be undertaken. While there is no guarantee that these initiatives will be pursued by the board or that they will be sufficient to solve all of the Bank's problems, I, as a member of the board, will advance the following initiatives:

- (1) Develop a comprehensive plan to improve core earnings by:
 - (a) increasing residential loan originations;
 - (b) increasing commercial loan originations secured by local, owner-occupied real estate;

- (2) Insist on close scrutiny of all lending decisions by an active executive committee comprised principally of outside directors;
- (3) Revise lending policies to prohibit new loans to insiders, directors and officers; and
- (4) Review the qualifications of present top management.

THIS SLATE NEEDS AND DESERVES THE SUPPORT OF EACH AND EVERY ONE OF YOU. PLEASE GRANT ME YOUR PROXY TO VOTE FOR THE SLATE OF DIRECTORS I HAVE PROPOSED BY SIGNING AND RETURNING THE ENCLOSED BLUE PROXY CARD.

ELECTION OF DIRECTORS; VOTING OF SHARES

At the Annual Meeting, six directors out of a total of 17 are to be elected to hold office for the ensuing three years for terms to expire at the 1996 Annual Meeting. My nominees, if elected, will thus constitute only a minority of the Board, which generally acts by majority vote. I believe, however, that the expression of the stockholders' views at the Annual Meeting through the election of my nominees will send a signal to management that our program is in the best interest of all stockholders. Furthermore, I serve as a director myself, and I believe that others on the incumbent Board are sympathetic to many of my views.

Properly executed proxies will be voted in accordance with the directions indicated therein. If a stockholder indicates no direction, his or her shares will be voted FOR my nominees to the Board of Directors and I will vote such shares, in my discretion, on such other matters as may properly come before the meeting to the extent permissible under applicable FDIC regulations. Under current regulations, such matters are limited to (i) matters incident to the conduct of the meeting; (ii) the election of a substitute nominee for director in case any nominee named in this Proxy Statement is unable to serve or for good cause refuses to serve; (iii) approval of the minutes of the prior stockholders' meeting; and (iv) other matters which I do not know, a reasonable time before the mailing of this Proxy Statement, are to be presented at the Annual Meeting.

If you have executed and returned management's white proxy card, you have every right to change your vote by signing and returning the enclosed BLUE Proxy Card. Any proxy may be revoked at any time before it is voted by (i) submitting a duly executed proxy bearing a later date, (ii) filing with the Clerk of the Bank a written revocation, or (iii) attending and voting at the Annual Meeting in person. **ONLY YOUR LATEST DATED PROXY WILL COUNT AT THE ANNUAL MEETING.**

If your shares are held in the name of a brokerage firm, your broker cannot vote your shares unless he or she receives your specific instructions. Please sign and date the enclosed BLUE Proxy Card and return it to your broker in the envelope provided. By doing so, you will be giving your broker the specific instructions required to vote for my nominees.

If your shares are held in the name of a brokerage firm and you do not intend to vote in person at the Annual Meeting, simply sign and date the enclosed BLUE Proxy Card and return it in the envelope provided. Your vote will be automatically counted. If you plan to attend the Annual Meeting and vote your shares on the floor of the meeting, you must obtain a legal proxy in order to be entitled to vote in person. Please contact our proxy soliciting firm, Regan & Associates, Inc., at (212) 587-3005 (collect if necessary) for specific instructions.

MY NOMINEES FOR ELECTION AS DIRECTORS

Under the Bank's charter and by-laws and applicable directors' resolutions, the Board currently consists of 17 members, divided into three classes, each serving a term of three years. At the Annual Meeting, six of the 17 directors are to be elected to hold office for the ensuing three years. In opposition to management, I

have proposed a full slate of six directors. I chose my nominees based on their collective experience in business and banking matters, qualities which I believe to be important for Bank directors. Two of my nominees (Mr. Noble and Ms. Page) currently serve as directors of the Bank.

The following table sets forth information regarding the persons I have nominated for your consideration to serve as Class II directors for a three-year term. Each of my nominees has consented to serve as a director if elected. I do not expect that any of my nominees will be unable to stand for election, but if by reason of an unexpected occurrence one or more of the nominees is not available for election, the shares represented by the enclosed BLUE Proxy Card will be voted for a substitute nominee selected by me.

<u>Name and Address</u>	<u>Present Principal Occupation and Principal Occupation During the Last Five Years; Other Activities</u>	<u>Beneficial Ownership of Shares as of 3/25/93, or most recent date we can confirm</u>
RONALD D. FALCIONE 17 Old Pottery Lane Norwell, MA 02061	Owner, Tempo Real Estate, a private real estate investment, brokerage and management firm	14,000
WARREN B. NOBLE(1) 124 Norwell Ave. Norwell, MA 02061	Treasurer, Noble Camera Shops, Inc., and Clerk, Noble Industries, Inc.	9,677(2)
STACEY M. PAGE(3) 16 Wanders Drive Hingham, MA 02043	President, Hingham Jewelers, Inc.	1,000
DONALD E. STASZKO 172 Beach Street Cohasset, MA 02025	Airline pilot, American Airlines; President, Cohasset Associates, a real estate development firm; owner, Cohasset Plaza	6,800(4)
JAMES R. WHITE 21 Ann Vinal Road Scituate, MA 02026	Consultant; former Vice Chairman, Patriot Bank Corporation; former President and CEO, Brookline Trust Company; former President and CEO, Commonwealth Bank and Trust Company	500
GEOFFREY C. WILKINSON 160 Crescent Street Duxbury, MA 02332	President and CEO of George T. Wilkinson, Inc., a commercial heating company	2,000

MR. FALCIONE, age 43, is a graduate of Georgetown University. He is the owner of Tempo Real Estate, a private real estate investment firm located in Weymouth, Massachusetts. He has been actively engaged in the business of constructing, managing and appraising residential and commercial real estate for over 20 years. In addition to managing his own holdings, he served as a director of East Weymouth Savings Bank for many years.

MR. NOBLE, age 62, is the founder of Noble's Camera Shops, Inc., a retailer of camera equipment with five retail locations in Hingham and surrounding towns, as well as founder of a microfilm processing company located in Hingham. He is past president of the Hingham Merchants Association, as well as a board

- (1) Director of the Bank since 1980
- (2) 2,000 of such shares are owned jointly with this nominee's wife.
- (3) Director of the Bank since 1992
- (4) Such shares are held in IRA accounts (3,800 shares for this nominee and 3,000 for this nominee's wife).

member of the South Shore Chamber of Commerce. He is presently a member of the Bank's Board of Directors and a recognized leader in our business community. His recent efforts as Chairman of the Auditing Committee of the board resulted in the development of an internal auditing program and the selection of an experienced internal auditor.

STACEY M. PAGE, age 29, is a graduate of Babson College with a Bachelors Degree in finance. She is the owner and operator of Hingham Jewelers, Inc., a jewelry retailer located in Hingham. Ms. Page and her family have been active in local business and civic affairs in Hingham for many years. Ms. Page joined the Board of Directors of the Bank last year.

DONALD E. STASZKO, age 44, is an airline pilot and has served with American Airlines for over twenty years. He is a graduate of Curry College and served as an Air Force fighter pilot in Vietnam. He is the President of Cohasset Associates and the owner of Cohasset Plaza in Cohasset, Massachusetts. He has substantial experience in both commercial and residential real estate development. He is a past president of the Cohasset Chamber of Commerce.

JAMES R. WHITE, age 70, has over forty years experience in the banking industry. Most recently, he served as Vice Chairman of Patriot Bank Corporation from 1983 to 1986, as President and CEO of Brookline Trust Company from 1977 to 1983, and as President and CEO of the Commonwealth Bank and Trust Company from 1972 to 1977. Mr. White remains active in community and civic affairs and will bring to the board a wealth of community banking experience. He is a graduate of Boston University and the Rutgers Graduate School of Banking.

GEOFFREY C. WILKINSON, age 41, is a graduate of the Massachusetts Maritime Academy. He is the President and CEO of George T. Wilkinson, Inc., a commercial plumbing and heating company located in Weymouth, Massachusetts. He serves as a Trustee of the Massachusetts Maritime Academy, by appointment of Governor Weld.

Except as set forth in Appendix A, my nominees have not had any transactions, or any arrangements or understandings with any person with respect to any future transaction, to which the Bank was or is to be a party. If my nominees are elected as directors of the Bank, it is anticipated that they will receive the same compensation as the other nonmanagement directors.

CERTAIN PENDING LITIGATION

Litigation Brought by Me

On March 4, 1993 I informed Bank management that I intended to call on the Bank's Board of Directors to appoint a special committee to investigate, with the assistance of independent legal counsel, several instances of what I believe to be unethical and illegal acts and omissions on the part of the Bank's management over the years. I asked that the committee be authorized to identify and correct such abuses and to bring suit against the responsible persons on behalf of the Bank and its stockholders. I then made a formal proposal to this effect at the March 5, 1993 Board meeting.

BY A VOTE OF 9 TO 7, WITH ONE DIRECTOR ABSTAINING, THE BOARD HAS DETERMINED NOT TO INVESTIGATE THESE MATTERS OR TAKE ANY ACTION TO PROTECT THE STOCKHOLDERS' INTEREST.

In consequence, I have brought litigation on behalf of the Bank and its stockholders against three of the Bank's officer-directors (Bulman, Pyne and Crowley). The matters involved include illegal loans, transactions with relatives and affiliates of insiders, and the making of intentionally false statements to the Bank and to regulatory authorities.

Litigation Brought by Management

On March 5, 1993, the Bank's Board of Directors, by a vote of 9 to 7, with one director abstaining, approved the initiation of litigation seeking to prevent my solicitation of proxies from you, as well as other relief.

The three members of management's slate who are continuing directors (Messrs. Pyne, Nardo and Sears) all voted in favor of initiating the litigation.

Both management's claims and mine are currently pending in Federal District Court for the District of Massachusetts (civil action number 93-10497-H).

Management's claims are based on an allegation that I am not really acting on my own in conducting my proxy solicitation, but that four other substantial stockholders are in league with me and that my proxy solicitation is part of a plan to acquire control of the Bank that dates back to 1988.

I deny that others are helping in my proxy solicitation (except, of course, my proxy soliciting firm and my lawyers). I also deny that I am part of a conspiracy to gain control of the Bank. What is really happening is that the current management of the Bank, and the nine directors who habitually vote their way, **ARE TRYING TO DEPRIVE YOU OF YOUR RIGHT TO VOTE AGAINST MANAGEMENT'S CANDIDATES** by bringing this lawsuit.

Management's complaint seeks to halt my solicitation of proxies; prevent the tallying of any and all votes cast by me, three of the other directors and my son Kevin; forbid me and such other three directors from functioning as directors (which management defines as having any influence on the management of the Bank); require me and such other individuals to amend various past filings with the FDIC to make those filings reflect management's version of the facts, and to make additional filings under the federal and state Change in Bank Control Acts based upon management's version of the facts; authorize the Bank to transfer most of the shares owned by me and by such other individuals to a trustee for sale to third parties at an unspecified price; and to obtain money damages, legal fees and costs in an unspecified amount.

There are three important things to know about management's charges.

1. The first astonishing thing about management's lawsuit is that they now claim there have been illegal stock accumulations and other actions since 1988, yet they have not objected to these actions until 1993. Why? Because the law regarding change in bank control says that they have to link my solicitation of your proxies in 1993 with purchases of stock that occurred in 1988, 1989, 1990 and 1991. So they now claim that a conspiracy existed back then. They state that my FDIC filings since then should have disclosed an alleged attempt to gain control of the Bank. Well, let me tell you that management has been under a specific duty ever since that time to make an FDIC filing if they think that such an attempt is going on. **AND MANAGEMENT HAS NEVER CLAIMED UNTIL NOW THAT I OR OTHERS HAVE BEEN TRYING TO GAIN CONTROL OF THE BANK SINCE 1988.**

Management's complaint lists a lot of actions that management were perfectly aware of from 1988 onwards, and claims these actions constituted a take-over attempt. **IF MANAGEMENT SERIOUSLY BELIEVED WHAT THEY NOW CLAIM**, they would have acted years ago. Instead they have raised these claims only now, **TO PREVENT YOU FROM VOTING ON MY NOMINEES.**

Not only did management take no action against me or any other of the other individuals; instead, **AFTER** the occurrence of the things that management now objects to, **MANAGEMENT NOMINATED ME** (and three of the other individuals) **TO SERVE ON THE BOARD** as part of their official slate.

Mr. Bulman announced my nomination to the Board of Directors in the 1991 Annual Report and said that he believed that my current nominee, Stacey Page, and I would "make substantial contributions and are very capable of providing the leadership that will be required of this industry throughout the 90s."

Mr. Bulman additionally endorsed Robert H. Gaughen, Jr., James V. Consentino and Thomas H. Youngworth when he nominated them and said "All of these men have substantial banking and business backgrounds which I trust will undoubtedly prove beneficial to our Bank."

IF MANAGEMENT HAD BELIEVED MY ACTIONS, WELL KNOWN TO THEM, TO BE A THREAT TO TAKE OVER THE BANK, WHY DID THEY CONSIDER ME TO BE A FIT PERSON TO BRING ONTO THE BOARD as their official nominee?

This all leads me to conclude that management's current assertions are so much hot air, and their lawsuit is a desperate attempt to disenfranchise you, the Bank's stockholders.

2. In 1991, when the alleged "group" had reached a certain threshold of stock ownership, the FDIC reviewed the matter. At first, the FDIC sent out a letter taking the position that there was a group and that I therefore needed to file a Change in Bank Control Act ("CBCA") notice. After further investigation, however, the FDIC closed its file on the matter and did NOT require a CBCA filing to be made!!

The experience of discussing the matter with the banking regulators in 1991 naturally has made me take the CBCA law very seriously ever since. Among other things, the experience brought home to me how important it was that I not act in concert with other major stockholders. I have researched carefully what the CBCA law requires. Accordingly, I have been scrupulous in avoiding bringing any other stockholders into my proxy campaign, other than my son Kevin who is acting solely as my attorney. (The FDIC's regulations state that a person who acts solely as an attorney is not considered to be a participant in a proxy campaign.) Even management does not claim that I cannot mount a proxy campaign as long as I do it by myself!

3. The final interesting thing is that management does not allege that those substantial stockholders who support management's slate of nominees constitute a group of stockholders acting together who should be subject to any of the requirements that they claim are applicable to me. **INSTEAD OF CONDUCTING A PROXY CONTEST ON A LEVEL PLAYING FIELD**, management asserts that I am hampered by rules that do not apply to them—rules that **ALLEGEDLY PREVENT ME FROM SEEKING YOUR VOTES**.

This lawsuit is the latest in a series of tactics designed to hamstring my proxy campaign. Earlier delaying tactics include the following:

On February 9, 1993 I requested copies of stockholder lists and stockholder address information so that I could communicate with you. Initially, management refused to turn over these lists. Thereafter, management turned over only a portion of the records in their possession on February 24 and did not turn everything over until March 8.

On February 9, 1993 I filed a notice of nomination in conformity with the Bank's bylaws. On February 16, management challenged my nominations on the ground that my notice did not agree with management's conspiracy theory which I have outlined above. Only after I threatened legal action did they finally agree that my nominations were proper.

In addition to these delaying tactics, management's first reaction to my nominations was to contact the local newspapers and spread their version of the facts through newspaper articles. In contrast, I have communicated with you directly, in written materials bearing my signature. My materials have necessarily been delayed in publication due to the requirement that they be filed with the FDIC prior to their dissemination. Mr. Bulman merely has to contact a newspaper reporter to get his views into print.

IF YOU OBJECT TO THIS METHOD OF CONDUCTING A PROXY CAMPAIGN, PLEASE VOTE FOR MY NOMINEES!

THE CAMPAIGN

I beneficially own an aggregate of 106,850 shares or 8.5% of the outstanding Common Stock. My holdings, according to public filings, represent the second largest individual stockholdings in the Bank. I have held many of my shares since 1988, the year in which the Bank was converted to a stock institution. I have more than thirty (30) years' experience in the banking industry. I have served as President and Chairman of a successful publicly traded savings bank on the South Shore.

The number of shares of Common Stock owned by my nominees and certain other persons and additional information regarding such persons are set forth in Appendix A. Neither I nor, to the best of my knowledge, any person named on Appendix A is now, or was within the past year, a party to any contract, arrangement or understanding with any other person with respect to any securities of the Bank or future employment by or transactions with the Bank.

I began my efforts to elect the nominees in December 1992 based on a growing disagreement with management as to what actions and goals are in the best interest of all stockholders. I believe that management has historically failed to respond to a number of concerns and criticisms expressed by the Bank's stockholders and that, as outside stockholders, we have gone as far as we can to induce the Board, as currently constituted, to maximize stockholder value.

I have met with management of the Bank several times to express my opinion that the Bank was not achieving significant market penetration in the local area, that the Bank's marketing efforts ignored the local residential mortgage market and that our efforts at reducing nonperforming assets were not sufficient. Since my election to the Board of Directors in April 1992, I have reiterated these themes. In my opinion, management has not adequately addressed any of these issues.

As a member of the Board's nominating committee, I asked management to consider nominating the nominees to the Board at the April 1993 Annual Meeting so that the viewpoint of outside stockholders could be adequately represented. The nominating committee, which was originally scheduled to meet in November 1992, failed to meet for more than two months and the Board determined, by a vote of 10 to 7, to take no action on my motion to consider my nominees.

In January 1993, I decided that the only way to have the voice of outside stockholders adequately represented on the Board was to nominate a slate in opposition to management. Each of the six nominees agreed to accept my nomination and has consented to serve if elected.

I am proposing for election to the Board a full slate of six nominees. Although my nominees will constitute, if elected, only a minority of the 17 person Board of the Bank, I believe that the election of my nominees will send a strong signal to management that my criticisms and proposals outlined in this Proxy Statement are supported by a majority of stockholders. Furthermore, with the good will and cooperation of other incumbent directors, it may be possible for the Board to act harmoniously on a number of issues. We need your help to take this next step.

PROXY SOLICITATION; EXPENSES

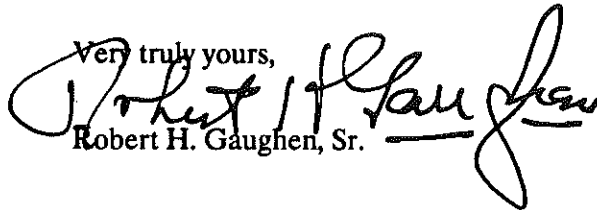
I may personally solicit proxies by telephone, telegram or personal interview, in addition to solicitation by mail, for which no compensation will be paid by any person. In addition, I have retained Regan & Associates, Inc. to aid in the solicitation of proxies and to solicit proxies from individuals, brokers, bank nominees and other institutional holders, for which it will be paid a base fee of \$7,500, an additional fee of \$7,500 provided the solicitation continues through the date of the Annual Meeting, and out-of-pocket expenses of approximately \$5,000. Approximately eight persons will be utilized by Regan & Associates, Inc. in its solicitation of proxies.

I will personally pay all costs in connection with my solicitation of proxies. I anticipate that a total of approximately \$150,000.00 will be spent in connection with the solicitation. Brokerage firms, fiduciaries and other nominees will be requested to forward my proxy materials to the beneficial owners of shares of Common Stock they hold of record and I will reimburse such persons for their reasonable out-of-pocket expenses. To date, expenses of approximately \$75,000 have been incurred in connection with the solicitation.

No other person has agreed to be responsible for the payment of proxy solicitation expenses incurred by me. If one or more of my nominees are elected as directors of the Bank, I intend to seek reimbursement from the Bank of my expenses in connection with this solicitation of proxies. Such question will be submitted to a vote of stockholders if the Bank Board (of which my six nominees would constitute only a minority) so determines. I would abstain from the Board vote on this matter.

OTHER MATTERS

I am not aware of any matters to be considered at the Annual Meeting. However, if any other matters properly come before the Annual Meeting, including any motion to adjourn the Annual Meeting prior to the taking of a vote on the election of directors, I will vote in my discretion all shares of Common Stock covered by BLUE Proxy Cards with respect to such matters.

Very truly yours,

Robert H. Gaughen, Sr.

Weymouth, Massachusetts
March 26, 1993

BY NOW, YOU HAVE RECEIVED A MAILING FROM THE BANK CONTAINING A NUMBER OF CHARGES AGAINST ME. I URGE YOU NOT TO SEND BACK MANAGEMENT'S PROXY UNTIL YOU HAVE HEARD MY RESPONSE.

APPENDIX A
to Proxy Statement of
Robert H. Gaughen, Sr.*

The business addresses and beneficial stockholdings of my six nominees are as follows:

Beneficial Ownership of Shares
as of 3/25/93, or most recent date we can confirm

<u>Name of Nominee</u>	<u>Business Address</u>	<u>Total</u>	<u>Acquired since 1/1/91</u>
Ronald D. Falcione	123 Main Street Weymouth, MA 02189	14,000	5,000 (8/92)
Warren B. Noble*	400 Lincoln Street P.O. Box 460 Hingham, MA 02043	9,677(1)	0
Stacey M. Page*	9 Whiting Street Hingham, MA 02043	1,000	0
Donald E. Staszko	P.O. Box 103 380 Chief Justice Cushing Highway Cohasset, MA 02025	6,800(2)	6,800(3)
James R. White	21 Ann Vinal Road Scituate, MA	500	500 (1/93)
Geoffrey C. Wilkinson	P.O. Box 890147 280 Libby Parkway East Weymouth, MA 02189-0003	2,000	2,000(4)

I own beneficially 106,850 shares(5). I am of counsel to the Gaughen, Gaughen & Gaughen law firm, 528 Broad Street, East Weymouth, Massachusetts 02189, having been a partner of that firm from 1980 to 1991. From 1965 to 1981, I was President of East Weymouth Savings Bank and from 1981 through 1988 I served as Chairman of the Board of that institution.

Neither I nor, to the best of my knowledge, any of my nominees acquired any shares of Bank stock using borrowed funds.

Messrs. Robert H. Gaughen, Warren B. Noble and Stacey M. Page received \$1,450.00, \$2,175.00 and \$1,350.00 respectively as standard director fees during 1992.

- (1) 2,000 of such shares are owned jointly with this nominee's wife.
- (2) Such shares are held in IRA accounts (3,800 for this nominee and 3,000 for this nominee's wife).
- (3) 3,300 shares in 1991 and 3,500 shares in April 1992
- (4) 1,000 shares in July 1992 and 1,000 shares in January 1993
- (5) 7,350 shares in January, 1991; 15,000 shares in March, 1991; 7,500 shares in May, 1991; 5,000 shares in September, 1991; 3,000 shares in July, 1992; 3,000 shares in August, 1992 and 2,500 shares in October, 1992.
- (*) Current Director of the Bank

The following incumbent director of the Bank may be deemed to be an “associate” of mine, under applicable rules and regulations of the FDIC, because he is my son, although we do not share the same household and he is not participating in the solicitation of proxies for my nominees:

<u>Name and Address</u>	<u>Principal Occupation</u>	<u>Beneficial Ownership of Shares as of 3/25/93, or most recent date we can confirm</u>
Robert H. Gaughen, Jr.* 387 Forest Avenue Cohasset, MA	Partner, Gaughen, Gaughen & Gaughen(1) law firm	72,364

- (1) Gaughen, Gaughen & Gaughen provided legal services to the Bank in connection with loan closings for which fees of \$122,490.00 and \$71,510.55 were paid in 1991 and 1992, respectively. Such fees are customarily reimbursed to the Bank by the borrowers.
- (*) Current Director of the Bank.

