

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of :

PAUL ORCHOWSKI

Former Officer and
Institution-Affiliated
Party of:

First Federal
Savings of Hegewisch,
Chicago, Illinois

Re: Resolution No. CHI-93-2

Dated: February 22, 1993

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER OF PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Central Region, and Paul Orchowski, a former Vice President and Branch Manager of First Federal Savings of Hegewisch, Chicago, Illinois ("Hegewisch"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative prohibition proceeding against Mr. Orchowski pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e). Mr. Orchowski desires to avoid the time and expense of such administrative litigation and hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative prohibition litigation against him.

2. Jurisdiction. (a) First Federal Savings of Hegewisch is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act of 1933. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Mr. Orchowski, as a former Vice President and Branch Manager of First Federal Savings of Hegewisch, is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) Pursuant to Section 3 of the FDIA, the Director of the OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against such a savings association or its institution-affiliated parties. Therefore, Mr. Orchowski is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

(d) On or about January 6, 1991, February 14, 1991, and June 12, 1991, Mr. Orchowski knowingly executed a scheme to defraud Hegewisch, a federally insured financial institution. Mr. Orchowski, who at all relevant times was employed as an officer of Hegewisch, willfully misapplied funds under the custody and control of Hegewisch by making fraudulent share loans to himself and other individuals. On the previously disclosed dates, Mr. Orchowski made three fraudulent share loans in the amounts of \$25,000, \$10,000, and \$8,300, respectively. Mr. Orchowski made the loans without the consent or authorization of the account-holders whose deposit accounts were pledged as security for the fraudulent share loans.

(e) On or about July 2, 1992, Mr. Orchowski was indicted for "Bank Fraud" pursuant to 18 U.S.C. § 1344, in the United States District Court Northern District of Illinois.

(f) On or about October 1, 1992, Mr. Orchowski plead guilty to "Bank Fraud", 18 U.S.C. § 1344, in the United States District Court Northern District of Illinois.

3. Consent. Mr. Orchowski consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"), a copy of which is attached hereto and incorporated as Exhibit A. He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director for the Central Region, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(e) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. Mr. Orchowski waives his right to a notice of intention to prohibit and the administrative hearing provided by Section 8(e) of the FDIA, 12 U.S.C. § 1818(e), and further waives any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the Regional Director for the Central Region, on behalf of the OTS, and Mr. Orchowski execute this Stipulation and Consent to Issuance of Order of Prohibition.

OFFICE OF THRIFT SUPERVISION

PAUL ORCHOWSKI

BY: /S/
Ronald N. Karr
Central Regional Director

/S/
Paul Orchowski

Date: 2-22-93

Date: 10-2-92

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ORDER OF PROHIBITION

WHEREAS, Paul Orchowski has executed a Stipulation and Consent to Issuance of Order of Prohibition ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Central Region;

WHEREAS, Mr. Orchowski has in the Stipulation consented and agreed to the issuance of this Order of Prohibition ("Order"), pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e); and

WHEREAS, the OTS reserves the right to pursue restitution and/or civil money penalties against Mr. Orchowski.

NOW THEREFORE, IT IS ORDERED THAT:

1. Mr. Orchowski is prohibited from further participation, in any manner, in the conduct of the affairs of First Federal Savings of Hegewisch, Chicago, Illinois, and any of its service corporations, subsidiaries, and successors.

2. Without the prior written approval of the Regional Director of the Central Region of the OTS and, if appropriate, another Federal financial institutions regulatory agency, Mr. Orchowski may not act as a director for, hold any office in, or participate in any manner in the conduct of the affairs of any institution(s) or other entity as set forth in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A), hereinafter referred to as a "Covered Institution." Pursuant to Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6), conduct prohibited by this Order also includes inter alia, the solicitation, transfer or exercise of any voting rights with respect to any securities issued by any insured depository institution.

3. Nothing in this Order, however, prohibits Mr. Orchowski from being a customer, as a depositor or borrower, of a Covered Institution.

4. From the effective date of this Order, Mr. Orchowski shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

5. This Order shall become effective on the date it is issued.

6. This Order shall remain in effect until modified or terminated by the OTS.

OFFICE OF THRIFT SUPERVISION

BY: /S/
Ronald N. Karr
Central Regional Director

DATE: 2-22-93