

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In The Matter Of:)

IRVING V. BOBERSKI)

Director, Former Chief Executive)
Officer, Former President, and)
Institution-Affiliated Party of:)

Avondale Federal Savings Bank)
Chicago, Illinois)

Re: Resolution No. CHI-92-32

Dated: July 31, 1992

STIPULATION AND CONSENT TO ENTRY OF AN
ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Central Regional Office ("Regional Director"), and Irving V. Boberski ("Boberski"), director, former chief executive officer, former president and institution-affiliated party of Avondale Federal Savings Bank, Chicago, Illinois ("Avondale"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon the exercise of its supervisory, regulatory and enforcement powers, commenced an administrative cease and desist proceeding pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. §1818(b) (West 1989 & Supp. 1992), against Boberski in the cause entitled In the Matter of: Irving V. Boberski, Director, Chief Executive Officer and President of Avondale Federal Savings Bank, Chicago, Illinois, OTS Order No. AP 92-57 dated June 12, 1992

("Notice of Charges"). The Notice of Charges is incorporated herein by this reference as if fully set forth.

Boberski desires to settle the administrative cease and desist proceeding and to avoid the time and expense of such administrative litigation. Without admitting the allegations contained in the Notice of Charges, and having previously filed an Answer denying such allegations, Boberski hereby stipulates and agrees to the following terms in consideration of the dismissal with prejudice by the OTS of the Notice of Charges, including the administrative cease and desist proceeding. Boberski, without trial or findings of fact pursuant to an administrative hearing, has consented to the terms of this Stipulation and Consent to Entry of an Order to Cease and Desist ("Stipulation"). The OTS has determined that it is appropriate, and in the best interest of the public, to execute this Stipulation and the attached Order to Cease and Desist ("Order").

This Stipulation and Order are issued solely to settle the Notice of Charges and all other matters concerning Boberski, Lynn A. Boberski, and their four children, I. Vincent Boberski, Michael Boberski, David Boberski and John Boberski ("the Boberski Family"), known or discovered by the OTS during the course of its Formal Investigation of Avondale Federal Savings Bank, Chicago, Illinois, CHI-91-5, up to the date of entry of the Order, and are not intended to, nor shall they be construed to have the effect

of, limiting the right or authority of any other governmental or administrative agency to initiate or pursue any other action, civil or otherwise, against Boberski or members of the Boberski Family, individually or collectively. Further, this Stipulation and Order are not intended to, nor shall they be construed to have the effect of, limiting the right or authority of the OTS to initiate or pursue any other action, civil or otherwise, against Boberski or members of the Boberski Family for conduct that occurs, or is first disclosed to or discovered by the OTS, after the entry of the Order.

2. Jurisdiction.

(a) The Institution is a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C.A. §1813(b) (West 1989 & Supp. 1992) and Section 2(4) of the Home Owners' Loan Act, 12 U.S.C.A. § 1462(4) (West Supp. 1992). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C.A. § 1813(c), as amended.

(b) Until August 9, 1989, the Federal Home Loan Bank Board ("FHLBB") was the regulatory agency with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof, including Boberski, pursuant to Section 5 of the HOLA, 12 U.S.C.A. § 1464, as amended.

(c) As of August 9, 1989, pursuant to Section 3(q) of the FDIA, as amended by Section 204 of the FIRREA, 12 U.S.C.A.

§1813(q), the OTS succeeded to the interests of the FHLBB with respect to the supervision and regulation of all savings associations, and thus became the "appropriate Federal banking agency" with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof.

(d) Boberski, as a director and the former president and chief executive officer of Avondale is deemed to be an "institution-affiliated party" of Avondale as that term is defined by Section 3(u) of the FDIA, 12 U.S.C.A. §1813(u), having served in such capacities within 6 years of the date hereof.

(e) Pursuant to Section 3 of the FDIA, as amended, the OTS is the "appropriate Federal banking agency" to maintain a cease and desist proceeding against institution-affiliated parties. Therefore, Boberski is subject to the authority of the OTS to initiate and maintain cease and desist proceedings against him pursuant to Section 8(b) of the FDIA, 12 U.S.C.A. §1818(b).

3. Consent. Without admitting the allegations set forth in the Notice of Charges, and having previously filed an Answer denying such allegations, Boberski consents to the issuance by the OTS of the Order, a copy of which is attached hereto. Boberski further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all the requirements of Section 8(b) of the FDIA, 12 U.S.C.A. §1818(b).

4. Finality. The Order is issued under Section 8(b) of the

FDIA, 12 U.S.C.A. §1818(b), as amended. Upon its issuance, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C.A. §1818(i), as amended.

5. Waivers. Boberski waives his right to an administrative hearing provided by Section 8(b) of FDIA, 12 U.S.C.A. §1818(b), 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.A. §1818(h), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its Regional Director, and Irving V. Boberski execute this Stipulation and Consent to Entry of an Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

By: /S/
Ronald N. Karr
Regional Director

/S/
Irving V. Boberski

Date: 7-31-92

Date: 7/31/92

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In The Matter Of:)

IRVING V. BOBERSKI)

Director, Former Chief Executive)
Officer, Former President, and)
Institution-Affiliated Party of:)

Avondale Federal Savings Bank)
Chicago, Illinois)

Re: Resolution No. CHI-92-32

Dated: July 31, 1992

ORDER TO CEASE AND DESIST

WHEREAS, Irving V. Boberski ("Boberski") has executed a Stipulation and Consent to Entry of an Order to Cease and Desist ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting by and through its Regional Director for the Central Regional Office ("Regional Director"); and

WHEREAS, Boberski has consented and agreed in the Stipulation to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. §1818(b) (West 1989 & Supp. 1992);

NOW THEREFORE, IT IS ORDERED THAT Boberski shall comply with the following provisions:

1. Pursuant to the terms of this Order, Boberski shall make restitution to Avondale Federal Savings Bank, Chicago, Illinois

("Avondale") in the sum of \$300,000.00. Except as otherwise provided in this Order, this sum shall represent affirmative action in the form of restitution and reimbursement to Avondale and the OTS for all matters set forth in the Notice of Charges which is incorporated by reference in its entirety into the Stipulation and all other matters concerning Boberski known or discovered by the OTS during the course of its formal investigation up to the date of entry of this Order. Boberski shall be given credit in an amount totaling \$50,000 toward the payment of said restitution for the personal property previously returned by Boberski to Avondale and the restitution previously paid by Boberski to Avondale. Payment of the remainder of said restitution in the sum of \$250,000.00 shall be made to Avondale in accordance with the following terms and conditions:

(a) on or before August 17, 1992, Boberski shall pay by certified check made payable to "Avondale Federal Savings Bank" and tendered to the Regional Director, any and all funds received by Boberski or any of his affiliates as a distribution(s) from the Avondale Employees' Pension Plan and Trust or the Avondale Employees' Profit Sharing Plan and Trust (collectively, the "Trusts"), up to an aggregate amount sufficient to satisfy the \$250,000.00 restitution obligation;

(b) in the event that no funds are received by Boberski or any of his affiliates from the Trusts on or before August 17,

1992, or any such funds received are insufficient to fully satisfy the restitution obligation herein, the full amount of restitution remaining unpaid shall be paid by Boberski in equal monthly installments commencing on August 31, 1992 and ending on December 31, 1992. Each payment shall be made by certified check made payable to "Avondale Federal Savings Bank" and shall be tendered to the Regional Director on each payment due date.

2. Within three (3) business days from the effective date of this Order, Boberski shall file a Notice of Dismissal with prejudice dismissing the action entitled Boberski v. Ryan, et al., Case No. 92 C 4099, United States District Court for the Northern District of Illinois, Eastern Division.

3. Within thirty (30) business days from the effective date of this Order, Boberski shall cause Lynn Boberski to resign her position as a director of the Lake Forest Open Lands Association ("LFOLA"). Upon the effective date of Lynn Boberski's resignation, Boberski or his counsel shall provide the Regional Director with written verification of said resignation.

4. Within fifteen (15) business days from the effective date of this Order, Boberski shall make a written submission to the LFOLA requesting the removal of all existing signage and other references to the name "Boberski Park" located on the real property donated by Avondale and described in the Notice of Charges ("Park Property"). The written submission shall make

specific reference to Boberski's monetary obligations to the LFOLA pursuant to Paragraphs 5 and 6 of this Order. The written submission shall further request the LFOLA to seek the advice and input of Avondale's board of directors concerning a new name, if any, for the Park Property. The written submission to be made by Boberski pursuant to this paragraph shall be reviewed and approved by the Regional Director prior to final submission to the LFOLA.

5. Boberski shall be responsible for the payment of, and shall pay or reimburse to the LFOLA within a reasonable period of time, all expenses incurred by the LFOLA, if any, in the removal of the existing signage and other references to "Boberski Park" located on the Park Property.

6. Boberski shall be responsible for the payment of, and shall pay or reimburse to the LFOLA within a reasonable period of time, all expenses incurred by the LFOLA for the purchase and installation of signage to replace the existing signage bearing the name "Boberski Park" located on the Park Property, or expenses incurred to change the name on the existing signage, whichever decision the LFOLA, in its discretion, shall elect. Provided, however, in no event shall Boberski's obligation pursuant to this Paragraph exceed the sum of \$10,000.

7. In the event and to the extent that the LFOLA shall fail or refuse to accept receipt of any payment(s) or money(ies) tendered by Boberski pursuant to Paragraphs 5 and/or 6 of this

Order, Boberski shall on each such occasion tender said funds to Avondale. Boberski's tender of certified funds to Avondale on each such occasion shall constitute continuing compliance with Paragraphs 5 and/or 6 of this Order, respectively.

8. Boberski, on his own behalf and on behalf of his affiliated companies (Boberski & Company, Boberski Capital Markets, Inc. and Lynn Marine, Inc.) hereby waive and forever release and disclaim any and all right, title and interest in and to the personal property previously returned by Boberski to Avondale and monies previously reimbursed by Boberski to Avondale prior to the effective date of this Order. All of said personal property may be maintained or disposed of by Avondale in such manner as Avondale deems appropriate in its sole discretion; and in no event shall Boberski or any of his affiliates have any claim or right of ownership or equitable or beneficial interest in or to said personal property or the proceeds thereof.

9. After the date of issuance of this Order, Boberski shall continue to be deemed an affiliated person of Avondale for purposes of transactions with Avondale, and Boberski shall not engage in any transaction with Avondale unless such transaction complies with the requirements of 12 C.F.R. §563.43 of the OTS Regulations, or other regulation applicable to affiliated persons of savings associations.

10. This Order shall become effective on the date of its

issuance by the Regional Director of the OTS and shall remain in effect until modified or terminated by the OTS.

11. The terms and provisions of this Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors and heirs in interest.

OFFICE OF THRIFT SUPERVISION

By: /S/
Ronald N. Karr
Regional Director

Date: 7-31-92