

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:)

JOHN D. VAN WINKLE)

Former Chief Executive Officer,)
President and Chairman of the Board)
of Directors of:)

UNITED TRUST AND)
FEDERAL SAVINGS BANK)
Bridgeview, Illinois)
OTS No. 16310)

OTS Order No.: ATL-2003-02

Dated: April 4, 2003

STIPULATION AND CONSENT TO ISSUANCE OF AN
ORDER TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF

WHEREAS, the Office of Thrift Supervision (“OTS”), based upon information derived from the exercise of its regulatory responsibilities, has informed John D. Van Winkle (“Van Winkle”), former President, Chief Executive Officer and Chairman of the Board of Directors of United Trust and Federal Savings Bank, Bridgeview, Illinois (“United Trust” or the “Institution”) that the OTS is of the opinion that grounds exist to initiate cease and desist proceedings against Van Winkle pursuant to 12 U.S.C. §§ 1818(b),¹ and

WHEREAS, Van Winkle desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, but admitting the statements and conclusions in Paragraph 1 below, hereby stipulates and agrees to the following terms:

¹ All references in this Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief are to the United States Code as amended.

1. Jurisdiction.

(a) United Trust, at all times relevant hereto, was a “savings association” within the meaning of 12 U.S.C. § 1813(b), and 12 U.S.C. § 1462(4). Accordingly, United Trust was an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).

(b) Van Winkle, as former President, Chief Executive Officer and Chairman of the Board of United Trust, is an “institution-affiliated party” as that term is defined in 12 U.S.C. § 1813(u).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an enforcement proceeding against savings association’s institution-affiliated parties. Therefore, Van Winkle is subject to the authority of the OTS to initiate and maintain cease and desist proceedings against him pursuant to 12 U.S.C. § 1818(b).

2. OTS Findings of Fact.

The OTS finds that:

(a) Van Winkle permitted United Trust to engage in consumer lending without adequate underwriting to protect the interests of the institution, resulting in substantial losses to the Institution;

b) Van Winkle permitted United Trust to exceed growth limitations imposed on the institution by OTS on June 20, 2001;

c) Van Winkle caused United Trust to violate a condition of the OTS Order approving United Trust’s thrift charter application, which required prior OTS approval of any major deviation from United Trust’s business plan. Van Winkle authorized and approved United Trust’s substantial deviation from its business plan without seeking or obtaining prior OTS approval by engaging in impermissible commercial business activities.

d) Van Winkle resigned from his positions as Chief Executive Officer, President and Chairman of the Board of Directors of United Trust on or about October 31, 2001.

e) As a result of his actions: Van Winkle (1) violated an order, law or regulation, engaged in unsafe and unsound practices and/or breached his fiduciary duty to United Trust; and (2) violated a written agreement (i.e. OTS's written approval of United Trust's thrift charter application) between OTS and United Trust; and (3) United Trust has suffered or will suffer financial loss or other damage and/or the interests of United Trust's depositors have been or could be prejudiced; and (4) the violation of law, violation of a written agreement, or breach of fiduciary duty demonstrates willful and/or continuing disregard by Van Winkle for the safety and soundness of United Trust and caused significant losses to the Institution.

3. Consent.

Van Winkle consents to the issuance by the OTS of the accompanying Order to Cease and Desist for Affirmative Relief ("Order"). Van Winkle further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality.

The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(b). Upon issuance by the Regional Director or designee for the Southeast Region, OTS, the Order shall be final, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers.

Van Winkle waives the following:

- (a) the right to be served with a written notice of the OTS's charges against him;
- (b) the right to an administrative hearing of the OTS's charges against him; and

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

6. Indemnification.

Van Winkle shall neither cause nor permit United Trust (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order. Nor shall Van Winkle obtain any indemnification (or other reimbursement) from the Institution (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to any amounts paid for restitution or reimbursement under the Order. Any such payments received by or on behalf of Van Winkle in connection with this action shall be returned to United Trust (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

(a) Van Winkle acknowledges and agrees that the consent to the issuance of the Order is for the purpose of resolving this cease and desist for affirmative relief action only, and does not release, discharge, compromise, settle, dismiss, resolve, or affect any actions, charges against, or liability of Van Winkle that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

(b) By signing this Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief, Van Winkle agrees that he will not assert this proceeding, his consent to the issuance of the Order, and/or the issuance of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other Federal or state governmental entity.

8. Agreement for Continuing Cooperation

Van Winkle agrees that, at the OTS's written request, without service of a subpoena, he will provide discovery and will testify truthfully at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by OTS relating to United Trust or its institution-affiliated parties, except that Van Winkle does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If Van Winkle invokes his privilege against self-incrimination under the Fifth Amendment of the United States Constitution and the OTS obtains a grant of immunity pursuant to 18 U.S.C. § 6001 et seq., Van Winkle agrees, consistent with any such grant of immunity, to provide discovery and to testify truthfully at any judicial, administrative, or investigative proceeding for which immunity is given.

9. Representation as to Financial Condition.

It is understood that, as part of this settlement, the OTS has relied in part on Van Winkle's representations concerning his current financial condition, as set forth in a written statement of financial condition dated August 18, 2002 (on OTS Form 1571, "Statement of Financial Condition"), which has been signed by Van Winkle. If any information in the Statement of Financial Condition is found to be false or misleading with respect to any material fact (including but not limited to the failure to properly identify and/or value any material asset or liability), the OTS reserves the right to take any action authorized by law. in the exercise of its discretion, including assessing civil money penalties under 12 U.S.C. Section 1818(1), or to void this Stipulation and the Order, or to take any other legal action.

10. Miscellaneous

(a) The construction and validity of this Stipulation and the Orders shall be governed by the laws of the United States of America;

(b) All references to the OTS in this Stipulation and the Orders shall also mean any of the OTS' predecessors, successors, and assigns;

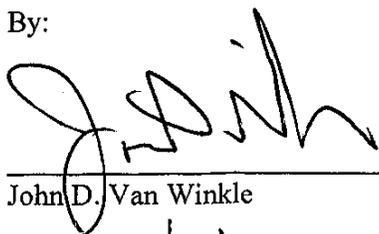
(c) The section and paragraph headings in this Stipulation and the Orders are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Orders;

(d) The terms of this Stipulation and the Orders represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters; and

(e) This Stipulation and Orders shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

WHEREFORE, Van Winkle executes this Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief, intending to be legally bound hereby.

By:



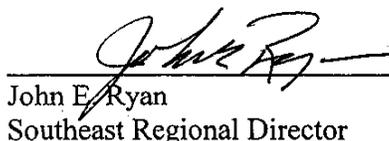
John D. Van Winkle

Dated:

3/31/03

Accepted by:

Office of Thrift Supervision



John E. Ryan
Southeast Regional Director

Dated:

4/4/03

ACKNOWLEDGMENT

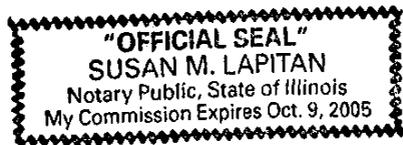
State of Illinois

County of Cook

On this 31st day of March, 2003, before me, the undersigned notary public, personally appeared John D. Van Winkle and acknowledged his execution of the foregoing Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief.

Susan M. Lapitan
Notary Public

My Commission expires: 10-09-05



**UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION**

In the Matter of:

JOHN D. VAN WINKLE

**Former Chief Executive Officer,
President and Chairman of the Board
of Directors of:**

**United Trust and Federal Savings Bank,
Bridgeview, Illinois
OTS No. 16310**

OTS Order No.: ATL-2003-02

Dated: April 4, 2003

CONSENT ORDER TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF

WHEREAS, the Office of Thrift Supervision (“OTS”) is of the opinion that grounds exist to initiate administrative cease and desist proceedings against John D. Van Winkle (“Van Winkle”), former President, Chief Executive Officer, and Chairman of the Board of Directors of United Trust and Federal Savings Bank, Bridgeview, Illinois (“United Trust” or the “Institution”); and

WHEREAS, Van Winkle has executed a Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief (“Stipulation”); and

WHEREAS, Van Winkle, by his execution of the Stipulation, has consented and agreed to the issuance of this Consent Order to Cease and Desist for Affirmative Relief (“Order”) by the OTS, pursuant to 12 U.S.C. §1818(b); and

WHEREAS, the Director of OTS has delegated to the Regional Directors of the OTS the authority to issue Orders to Cease and Desist for Affirmative Relief on behalf of OTS where an institution affiliated party has consented to issuance of the Order.

NOW THEREFORE, IT IS ORDERED, pursuant to 12 U.S.C. §1818(b) that:

1. Except as provided in Section 2 below, Van Winkle shall not:

a. Engage, participate in, counsel or aid and abet in any unsafe or unsound practice, or breach any fiduciary duty, with respect to the operation or supervision of any banking institution, or violate any laws, rules, or regulations governing the operation or supervision of any banking institution.

b. Serve as an officer, manager, supervisor, or director of an insured depository institution or holding company.

c. Participate, directly or indirectly, in the review, consideration, recommendation or approval of any investment decision or investment policy of such insured depository institution or holding company.

d. Participate, directly or indirectly, in the review, consideration, recommendation or approval of any lending decision or lending policy of such insured depository institution or holding company.

2. Nothing in this Order shall prevent Van Winkle from serving as a consultant or a non-supervisory or non-management employee of an insured depository institution or holding company with duties limited to business development activities, such as promoting institution services or referring potential business.

3. Van Winkle shall:

a. Cause **253.38778 shares** of United Bancorp, Inc., Bridgeview, Illinois, stock to be endorsed and transferred to United Bancorp, Inc, Bridgeview, Illinois. The **253.38778 shares** of United Bancorp, Inc. stock are comprised of: **202.66844 shares** held in the name "John Van Winkle," and **50.71934 shares** held in the name "John Van Winkle." Van Winkle shall cause the **253.38778 shares** described in this paragraph to be endorsed and transferred to United Bancorp, Inc. Bridgeview, Illinois within 10 days of the date of this Order.

b. If the shares identified in paragraph 3.a. are not transferred within 10 days of the date of this Order, Van Winkle shall pay, within 25 days of the date of this Order, restitution to United Bancorp in the amount of \$152,032.67 calculated as follows: 253.38778 shares times \$600.00 per share = \$152,032.67.

c. If any person or entity asserts a claim to the shares based on their ownership prior to the date the shares are transferred to United Bancorp, Van Winkle shall be personally responsible to provide restitution to United Bancorp in the amount of \$152,032.67. Said restitution shall be provided within 10 days of written notice to Van Winkle of such impairment. Notice to Van Winkle will be provided by overnight mail to:

John Van Winkle
6709 North Hiawatha
Chicago, Illinois 60646-1417

d. Within 10 days of the date of issuance of this Order, Van Winkle shall cause the shares identified in paragraph 3 above to be endorsed and transferred by overnight delivery to:

United Bancorp, Inc.
c/o Akram Zanayed
Chairman of the Board
8028 South Harlem Avenue
Bridgeview, Illinois 60455-1501

with a copy of the cover letter transmitting said shares sent by overnight delivery to the

OTS Enforcement Division at:

Scott E. Schwartz
Senior Attorney
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552

e. Provide a copy of this Order to any insured depository institution or non-diversified holding company prior to accepting employment with or providing any services to such institution.

f. Inform OTS, as well as the appropriate Federal banking agency for an insured depository institution or non-diversified holding company in writing prior to accepting employment with or providing any services to such institution.

Definitions

(a) "Appropriate Federal banking agency" shall have the meaning set forth in 12 U.S.C. § 1813(q).

(b) "Banking institution" refers to any and all of the following: any "insured depository institution" as that term is defined at 12 U.S.C. § 1813(c) (including but not limited to banks and savings associations); any direct or indirect "subsidiary" of any insured depository institution, whether wholly or partly owned, as that term is defined at 12 U.S.C. § 1813(w)(4); any "insured credit union" within the meaning of 12 U.S.C. § 1752(7); any "savings and loan holding company" within the meaning of 12 U.S.C. § 1467a(a)(1); and any "bank holding company" within the meaning of 12 U.S.C. § 1841.

(c) "Insured depository institution" shall have the meaning set forth in 12 U.S.C. § 1813(c)(2) and (c)(3).

(d) "Institution-affiliated party" shall have the meaning set forth in 12 U.S.C. § 1813(u).

(e) "Holding company" refers to any savings and loan holding company or bank holding company.

(f) All other technical words or terms used in this Stipulation or in the Order, for which meanings are not specified or otherwise provided by the provisions of the Stipulation or the Order shall, insofar as applicable, have meanings as defined in Chapter 12 of the Code of Federal Regulations, the Home Owners' Loan Act ("HOLA"), or the Federal Deposit Insurance Act ("FDIA"). Any such technical words or terms used in the Stipulation or in the Order and undefined in the Code of Federal Regulations, HOLA, or FDIA shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

4. The Stipulation is made a part hereof and is incorporated herein by this reference.

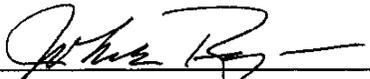
5. Van Winkle shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

6. This Order shall become effective on the date it is issued. This Order shall remain in effect until it is terminated, modified, or suspended, which may occur only by formal written action of the OTS, acting by and through its Regional Director, or other authorized representative.

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

THE OFFICE OF THRIFT SUPERVISION

By:



John E. Ryan
Southeast Regional Director