

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
Lowell I. Stahl, William E. Cahill, Jr.,)
John D. Foster, Roland G. Ley, Dilia)
Camacho-Saeedi, James R. Sneider,)
James J. Carmody, Frank C. Casillas,)
Directors, and Frank J. Kross, Officer)
and Director, of Labe Federal Bank) Dated: March 30, 1999
for Savings, Chicago, Illinois)

STIPULATION AND CONSENT TO ISSUANCE OF
ORDERS OF ASSESSMENT OF CIVIL MONEY PENALTY

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Lowell I. Stahl, William E. Cahill, Jr., John D. Foster, Roland G. Ley, Dilia Camacho-Saeedi, James R. Sneider, James J. Carmody, Frank C. Casillas, Directors, and Frank J. Kross, Officer and Director (collectively "Respondents"), that OTS is of the opinion that grounds exist to initiate an administrative civil money penalty assessment proceeding against Respondents pursuant to 12 U.S.C. Sec. 1818(i)(2). 1/

WHEREAS, the Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue Orders of Assessment of Civil Money Penalties where the respondent has consented to the issuance of the order;

1/ All references to the U.S.C. are as amended.

WHEREAS, Respondents desire to cooperate with OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist and, solely for the purpose of settling this matter, hereby stipulate and agree to the following terms:

1. Jurisdiction. (a) Labe Federal Bank for Savings, Chicago, Illinois (OTS Docket No. 00571) ("Institution") is a "savings association" within the meaning of Section 3(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1813(b) and Section 2(4) of the Home Owners' Loan Act, 12 U.S.C. § 1462(4). 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) Respondents are directors of the Institution and are each an "institution-affiliated party" of the Institution as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal Banking agency" with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof.

(d) The Director of the OTS has the authority to bring an administrative proceeding for a civil money penalty against persons participating in the conduct of the affairs of the Institution and institution-affiliated parties pursuant to 12 U.S.C. Sec. 1818(i)(2).

(e) Respondents are subject to the authority of OTS to initiate and maintain administrative proceedings pursuant to 12 U.S.C. Sec. 1818(i)(2).

2. OTS Findings of Fact. The OTS finds that: the Institution engaged in lending practices that violated the loans-to-one borrower limitations set forth at 12 C.F.R. Sec. 560.93. The violations were detailed in the Report of Examination of Labe Federal Bank for Savings, dated May 4, 1998, and represent a continuation and exacerbation of the problem from the prior Report of Examination, dated June 30, 1996. The Institution and institution-affiliated parties, including the Respondents, did not effect compliance with the regulation despite assurances that corrections would be made.

3. Consent. Respondents consent to the issuance by the OTS of their respective accompanying Order of Assessment of Civil Money Penalty ("Order" or "Orders"). Respondents further agree to comply with the terms of their respective Order upon issuance and stipulate that their respective Order complies with all requirements of law.

4. Finality. The Orders are issued under 12 U.S.C. Sec. 1818(i)(2). Upon their issuance by the Regional Director or designee for the Central Region, OTS, they shall be final orders, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. Respondents waive their respective right to a notice of Assessment of Civil Money Penalty provided by 12 U.S.C. Sec. 1818(i)(2)(E) and the administrative hearing provided by 12 U.S.C. Sec. 1818(i)(2)(H), and further waive any right to seek judicial review of their respective Order, including, without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of their respective Order.

6. Indemnification. Respondents shall neither cause or permit Labe Federal Bank for Savings (or any subsidiary thereof) to incur, directly or indirectly, any expense for the amount of the civil money penalty assessed under their respective Order and, with respect to any legal (or other professional) expenses incurred relative to the negotiation and issuance of the Orders, they shall not obtain any indemnification (or other reimbursement) from Labe Federal Bank for Savings (or any subsidiary thereof) in an amount which exceeds \$5,000 for the Respondents collectively. Any payments received by or on behalf of Respondents in connection with this action in excess of such amount shall be returned to Labe Federal Bank for Savings.

7. Other Actions, Proceedings and Parties. This Stipulation and the accompanying Orders are issued solely to settle this proceeding. By entering into this Stipulation, Respondents acknowledge and agree explicitly to the following provisions:

a. Respondents acknowledge and agree that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and Respondents' consent to the entry of their respective Order are for the purposes of resolving this OTS enforcement matter only. By signing this document, Respondents agree that they will not assert the assessment or payment of this penalty 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 governmental entity.

The OTS and the Respondents acknowledge and agree that the imposition of the civil money penalty by the OTS, and the payment of such civil money penalty, are for the purpose of resolving the administrative civil money penalty assessment proceeding and all other potential administrative actions within the jurisdiction of OTS concerning Respondents relating to matters known or discovered by OTS concerning the Report of Examination, dated May 4, 1998, of Labe Federal Bank for Savings, up to the date of entry of the Orders.

b. This Stipulation, the Orders, and the payments by Respondents of any monies or providing any other financial relief as contemplated by the Orders, does not release discharge, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Respondents that arise pursuant to this action or otherwise, and that may be or have been brought by any other governmental entity other than the OTS.

c. Respondents' obligation to pay civil money penalties pursuant to this Stipulation and the Orders shall not be dischargeable in bankruptcy under any circumstances.

WHEREFORE, Respondents execute this Stipulation and Consent to Issuance of Orders of Assessment of Civil Money Penalty, intending to be legally bound hereby.

By:



Lowell I. Stahl

Date: 3/17/99

William E. Cahill, Jr.

Date: _____

John D. Foster

Date: _____

James R. Sneider

Date: _____

James J. Carmody

Date: _____

Accepted by: Office of Thrift Supervision

Ronald N. Karr
Regional Director
Central Region

Date: _____

Roland G. Ley

Date: _____

Dilia Camacho-Saeedi

Date: _____

Frank J. Kross

Date: _____

Frank C. Casillas

Date: _____

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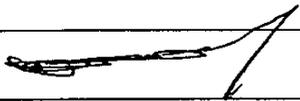
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3-17-99

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Regional Director
Central Region

Date: _____

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Date: _____

Roland G. Ley

Date: _____



John D. Foster

Date: 3/17/1999

Dilia Camacho-Saeedi

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Lowell I. Stahl

Date: _____

William E. Cahill, Jr.

Date: _____

John D. Foster

Date: _____

James R. Sneider

Date: 3/16/99

James J. Carmody

Date: _____

Ronald N. Karr
Regional Director
Central Region

Date: _____

Roland G. Ley

Date: _____

Dilia Camacho-Saeedi

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Frank J. Kross

Date: _____

Frank C. Casillas

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Date: _____

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Date: _____

John D. Foster

Date: _____

James R. Sneider

Date: _____


James J. Carmody

Date: 3/18/99

Ronald N. Karr
Regional Director
Central Region

Date: _____

Roland G. Ley

Date: _____

Dilia Camacho-Saeedi

Date: _____

Frank J. Kross

Date: _____

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Accepted by: Office of Thrift Supervision

Lowell I. Stahl

Date: _____

William E. Cahill, Jr.

Date: _____

John D. Foster

Date: _____

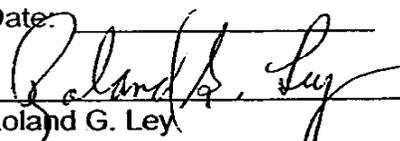
James R. Sneider

Date: _____

James J. Carmody

Date: _____

Ronald N. Karr
Regional Director
Central Region

Date: _____


Roland G. Ley

Date: March 23, 1999

Dilia Camacho-Saeedi

Date: _____

Frank J. Kross

Date: _____

Frank C. Casillas

Date: _____

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Accepted by: Office of Thrift Supervision

Lowell I. Stahl

Date: _____

Ronald N. Karr
Regional Director
Central Region

Date: _____

William E. Cahill, Jr.

Date: _____

Roland G. Ley

Date: _____

John D. Foster

Date: _____

Dilia Camacho-Saeedi
Dilia Camacho-Saeedi

Date: *March 18, 1999*

James R. Sneider

Date: _____

Frank J. Kross

Date: _____

James J. Carmody

Date: _____

Frank C. Casillas

Date: _____

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Accepted by: Office of Thrift Supervision

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William E. Cahill, Jr.

Date: _____

John D. Foster

Date: _____

James R. Sneider

Date: _____

James J. Carmody

Date: _____

Ronald N. Karr
Regional Director
Central Region

Date: _____

Roland G. Ley

Date: _____

Dilia Camacho-Saeedi

Date: _____


Frank J. Kross

Date: 3-17-95

Frank C. Casillas

Date: _____

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By:

Accepted by: Office of Thrift Supervision

Lowell I. Stahl

Date: _____

William E. Cahill, Jr.

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John D. Foster

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Date: _____

James J. Carmody

Date: _____

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Regional Director
Central Region

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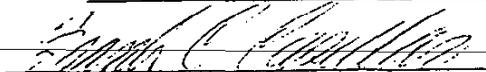
Date: _____

Dilia Camacho-Saeedi

Date: _____

Frank J. Kross

Date: _____



Frank C. Casillas

Date: 3-11-77

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Date: _____

William E. Cahill, Jr.

Date: _____

John D. Foster

Date: _____

James R. Sneider

Date: _____

James J. Carmody

Date: _____

Accepted by: Office of Thrift Supervision

Ronald N. Karr /by DTM

Ronald N. Karr
Regional Director
Central Region

Date: March 30, 1999

Roland G. Ley

Date: _____

Dilia Camacho-Saeedi

Date: _____

Frank J. Kross

Date: _____

Frank C. Casillas

Date: _____

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
) Re: Resolution No. CHI-99-04
) Dated: March 30, 1999
Frank J. Kross, an Officer and Director)
of Labe Federal Bank for Savings,)
Chicago, Illinois)

ORDER OF ASSESSMENT OF CIVIL MONEY PENALTY

WHEREAS, Frank J. Kross has executed a Stipulation and Consent to Issuance of Orders of Assessment of Civil Money Penalty ("Stipulation"); and,

WHEREAS, Frank J. Kross, in the Stipulation, without admitting or denying that grounds exist for the Office of Thrift Supervision ("OTS") to initiate an administrative civil money penalty proceeding against him, and solely for the purpose of settling this matter, has consented to the issuance of this Order of Assessment of Civil Money Penalty pursuant to 12 U.S.C. Sec. 1818(i)(2). 1/

NOW THEREFORE, IT IS ORDERED that within thirty (30) days of the effective date of this Order, Frank J. Kross shall pay to the OTS the sum of \$9,000, by tendering a certified check to the OTS in that amount made payable to the Treasurer of the United States. The check shall be sent, together with a cover letter stating the name of the association and the resolution number, and a copy of the Order, to the following address:

1/ All references to the U.S.C. are as amended.

Controller's Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C. 20552. A copy of the cover letter to the Controller's Division, and a photocopy of the check shall be sent to Tracy Bauer, Office of Thrift Supervision, 200 West Madison Street, Suite 1300, Chicago, IL 60606.

OFFICE OF THRIFT SUPERVISION

By: Ronald N. Karr / by DSM

Ronald N. Karr,
Regional Director
Central Region