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UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of

DENNIS D. KONSTANTY

Former Employee and  
Institution-Affiliated Party  
of

SOBIESKI FEDERAL SAVINGS AND  
LOAN ASSOCIATION OF SOUTH BEND  
SOUTH BEND, INDIANA

OTS Order No. CHI-97-03

Dated: March 12, 1997

STIPULATION AND CONSENT TO THE ISSUANCE  
OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed DENNIS D. KONSTANTY, a former employee and institution-affiliated party of Sobieski Federal Savings and Loan Association of South Bend ("Sobieski Federal"), 2930 West Cleveland Road, South Bend, Indiana 46628, that grounds exist to initiate an administrative prohibition proceeding against him pursuant to 12 U.S.C. § 1818(e);<sup>1</sup>

WHEREAS, DENNIS D. KONSTANTY desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding and hereby stipulates and agrees to the following:

1. All references to the United States Code ("U.S.C.") are as amended, unless otherwise indicated.

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1. Jurisdiction.

(a) Sobieski Federal is a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c);

(b) DENNIS D. KONSTANTY was an employee of Sobieski Federal and is an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within 6 years of the date hereof (see 12 U.S.C. § 1818(i)(3));

(c) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal banking agency" to maintain an administrative prohibition proceeding against such a savings association or its institution-affiliated parties. Therefore, DENNIS D. KONSTANTY is subject to the jurisdiction of the OTS to initiate and maintain an administrative proceeding against him pursuant to 12 U.S.C. § 1818(e). The Director of the OTS has delegated to the Regional Director of the Central Region of the OTS or his designee ("Regional Director") the authority to issue prohibition orders where the individual has consented to the issuance of the order.

2. OTS Findings of Fact. The OTS finds that:

(a) From in or around September 1994, through in or around June 1995, acting without authority and with intent to injure and defraud Sobieski Federal, DENNIS D. KONSTANTY did

*Handwritten signature and date: 1/11/97*

knowingly and willfully embezzle funds entrusted to the custody and care of Sobieski Federal. Specifically, Konstanty misapplied the sum of approximately \$5,259, by making false accounting entries and by depositing checks made payable to Sobieski Federal into his own personal checking account for his own personal use and benefit;

(b) DENNIS D. KONSTANTY pled guilty to one count of embezzlement by a bank employee under the provisions of 18 U.S.C. § 656; and

(c) On or about October 8, 1996, judgment was entered against DENNIS D. KONSTANTY in the United States District Court for the Northern District of Indiana South Bend Division. As part of the Judgment, in addition to the restitution previously paid, DENNIS D. KONSTANTY was sentenced to two years of supervised probation and 50 hours of community service.

3. Consent. DENNIS D. KONSTANTY consents to the issuance by the OTS of the accompanying Consent Order of Prohibition ("Order"). DENNIS D. KONSTANTY 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 under 12 U.S.C. § 1818(e). Upon its issuance by the OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

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5. Waivers. DENNIS D. KONSTANTY waives the following:

(a) the right to be served with a written notice of the OTS's charges against him as provided by 12 U.S.C. § 1818(e);

(b) the right to an administrative hearing of the OTS's charges against him as provided by 12 U.S.C. § 1818(e);

(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;

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504 or 28 U.S.C. § 2412; and

(e) the right to assert this proceeding or his consent to issuance of the Order 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 governmental entity.

6. Indemnification. DENNIS D. KONSTANTY represents that he has not received, directly or indirectly, any sums from Sobieski Federal for the purpose of indemnifying or reimbursing him for any expenses incurred by him in connection with the OTS investigation. DENNIS D. KONSTANTY shall neither cause nor permit

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Sobieski Federal (or any successor institution, holding company, subsidiary or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional services rendered to DENNIS D. KONSTANTY relative to the negotiation and issuance of the Order, nor obtain any indemnification (or other reimbursement) from Sobieski Federal (or any successor institution, holding company, subsidiary or service corporation thereof) with respect to expenses. In the event that any such payments are received by or on behalf of DENNIS D. KONSTANTY in connection with this action, DENNIS D. KONSTANTY agrees promptly to notify the OTS of the receipt of such payments and to return such payments without delay to Sobieski Federal (or the successor institution, holding company, subsidiary or service corporation thereof).

7. Other Government Actions Not Affected. DENNIS D. KONSTANTY acknowledges and agrees that the consent to the issuance of the Order is for the purpose of resolving this OTS enforcement matter only, the basis of which is briefly described in the "OTS Findings of Fact" section located in paragraph 2 of this Stipulation and Consent to the Issuance of an Order of Prohibition ("Stipulation"), and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of DENNIS D. KONSTANTY that arise pursuant to this action or otherwise and that may be or have been brought by the OTS or another governmental entity.

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8. Acknowledgment of Criminal Sanctions. DENNIS D. KONSTANTY acknowledges that the Stipulation and Order are subject to the provisions of 12 U.S.C. § 1818(j).

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

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

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

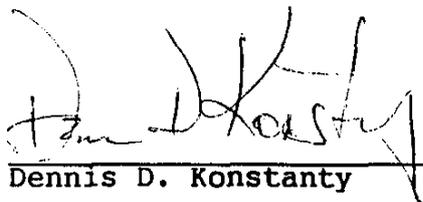
(d) The terms of this Stipulation and the Order represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters; and

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

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WHEREFORE, DENNIS D. KONSTANTY executes this Stipulation and Consent to the Issuance of an Order of Prohibition, intending to be legally bound hereby.

By:

  
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Dennis D. Konstanty

Accepted by:  
Office of Thrift Supervision

  
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Ronald N. Karr  
Regional Director  
Central Region

Date: 3/6/97

Date: 3-17-97

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of

DENNIS D. KONSTANTY

Former Employee and  
Institution-Affiliated Party  
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SOBIESKI FEDERAL SAVINGS AND  
LOAN ASSOCIATION OF SOUTH BEND  
SOUTH BEND, INDIANA

Order No. CHI-97-03

Dated: March 12, 1997

CONSENT ORDER OF PROHIBITION

WHEREAS, DENNIS D. KONSTANTY has executed a Stipulation and Consent to the Issuance of an Order of Prohibition ("Stipulation"); and

WHEREAS, DENNIS D. KONSTANTY, by his execution of the Stipulation, has consented and agreed to the issuance of this Consent Order of Prohibition ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. § 1818(e).

NOW THEREFORE, IT IS ORDERED that:

1. DENNIS D. KONSTANTY is prohibited from further participation, in any manner, in the conduct of the affairs of Sobieski Federal Savings and Loan Association of South Bend, 2930 West Cleveland Road, South Bend, Indiana 46628, and any holding company, subsidiary and/or service corporation thereof.

2. DENNIS D. KONSTANTY, except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other "appropriate Federal financial

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institutions regulatory agency," for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(a) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

- (i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- (ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) or 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;
- (iii) any insured credit union under the Federal Credit Union Act, 12 U.S.C. § 1751 et seq.;
- (iv) any institution chartered under the Farm Credit Act of 1971, 12 U.S.C. § 2001 et seq.;
- (v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(A)(v); and
- (vi) the Federal Housing Finance Board and any Federal Home Loan Bank.

(b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in 12 U.S.C. § 1818(e)(7)(A);

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(c) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of 12 U.S.C. § 1813(q); or

(d) vote for a director, or serve or act as an "institution-affiliated party", as that term is defined at 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

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

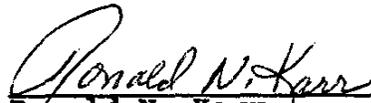
4. This Order is subject to the provisions of 12 U.S.C. § 1818(j).

5. DENNIS D. KONSTANTY 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 is and shall become effective on the date it is issued, as shown in the caption hereof. The Stipulation and the Order shall remain in effect until it is terminated, modified or suspended, in writing by the OTS, acting through its Director, Regional Director or other authorized representative.

THE OFFICE OF THRIFT SUPERVISION

By:

  
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Ronald N. Karr  
Regional Director  
Central Regional Office

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