

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

**In the Matter of:** )

**GREG L. DIAZ** )

**Former Compliance Officer** )  
**of:** )

**CENTRAL FEDERAL SAVINGS** )  
**& LOAN ASSOCIATION** )  
**Cicero, Illinois** )  
**OTS No. 01567** )

**OTS Order Nos.: ATL-2004-07**  
**ATL-2004-08**

**Dated: March 4, 2004**

**STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER OF PROHIBITION**  
**AND 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 Greg L. Diaz ("Diaz"), former Compliance Officer of Central Federal Savings & Loan Association, Cicero, Illinois ("Central" or the "Institution") that the OTS is of the opinion that grounds exist to initiate administrative proceedings against Diaz pursuant to 12 U.S.C. §§ 1818(b) and (e),<sup>1</sup> and

WHEREAS, Diaz 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. Jurisdiction.**

(a) Central, 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, Central was an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

<sup>1</sup> All references in this Stipulation and Consent to Issuance of an Order of Prohibition and Order to Cease and Desist for Affirmative Relief ("Stipulation") are to the United States Code as amended.

(b) Diaz, as former Compliance Officer of Central, 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, Diaz is subject to the authority of the OTS to initiate and maintain administrative proceedings against him pursuant to 12 U.S.C. § 1818(b) and (e).

## **2. OTS Findings of Fact.**

a) The OTS finds that Diaz, between September 11, 2003 and October 11, 2003, without authorization, withdrew a total of \$9,800.00 from the account of a deceased former customer of Central.

b) As a result of his actions: Diaz (1) violated an order, law or regulation, engaged in unsafe and unsound practices and/or breached his fiduciary duty to Central; and (2) Central has suffered or will suffer financial loss or other damage and/or the interests of Central's depositors have been or could be prejudiced; and (3) the violation of law or breach of fiduciary duty demonstrates willful and/or continuing disregard by Diaz for the safety and soundness of Central and caused losses of at least \$9,800.00 to the Institution.

## **3. Consent.**

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

## **4. Finality.**

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

**5. Waivers.**

Diaz 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.**

Diaz shall neither cause nor permit Central (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 Orders. Nor shall Diaz 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 Orders. Any such payments received by or on behalf of Diaz in connection with this action shall be returned to Central (or the successor institution, holding company, subsidiary, or service corporation thereof).

**7. Other Government Actions Not Affected.**

(a) Diaz acknowledges and agrees that the consent to the issuance of the Orders is for the purpose of resolving this prohibition and 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 Diaz 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, Diaz agrees that he will not assert this proceeding, his consent to the issuance of the Orders, and/or the issuance of the Orders, 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**

Diaz 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 Central or its institution-affiliated parties, except that Diaz does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If Diaz 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., Diaz 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. 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.

## **10. Acknowledgment of Criminal Sanctions.**

Diaz acknowledges that 12 U.S.C. § 1818(j) sets forth criminal penalties for knowing violations of the Order of Prohibition.

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

By: *Greg L. Diaz*  
Greg L. Diaz

Accepted by:  
Office of Thrift Supervision  
*John E. Ryan*  
John E. Ryan  
Southeast Regional Director

Dated: 2/17/04

Dated: 3/4/04

**ACKNOWLEDGMENT**

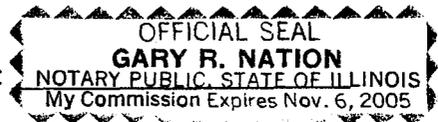
State of Illinois

County of Cook

On this 7<sup>th</sup> day of February, 2004, before me, the undersigned notary public, personally appeared Greg L. Diaz and acknowledged his execution of the foregoing Stipulation and Consent to Issuance of an Order of Prohibition and Order to Cease and Desist for Affirmative Relief.

*Gary R. Nation*  
Notary Public

My Commission expires:



UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of: )

GREG L. DIAZ )

Former Compliance Officer )  
of: )

CENTRAL FEDERAL SAVINGS )  
& LOAN ASSOCIATION )  
Cicero, Illinois )  
OTS No. 01567 )

OTS Order Nos.: ATL-2004-07

Dated: March 4, 2004

**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 Greg L. Diaz ("Diaz"), former Compliance Officer of Central Federal Savings & Loan Association, Cicero, Illinois ("Central" or the "Institution"); and

WHEREAS, Diaz has executed a Stipulation and Consent to Issuance of an Order of Prohibition and Order to Cease and Desist for Affirmative Relief ("Stipulation"); and

WHEREAS, Diaz, 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. Diaz shall pay restitution to Central in the amount of \$9,800.00. Said payment shall be made pursuant to the terms of the attached Central Federal Savings & Loan Association Installment

Loan Note, dated February 7, 2004.

 2. Diaz acknowledges and agrees that pursuant to 11 U.S.C. § 523(a)(11), his restitution obligation under this Order is not a dischargeable debt, and he waives any right to seek discharge of such obligation in any bankruptcy proceeding.

3. All 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. Diaz 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

  
\_\_\_\_\_  
John E. Ryan  
Southeast Regional Director

**CENTRAL FEDERAL SAVINGS & LOAN ASSOCIATION  
SAVINGS ACCOUNT INSTALLMENT LOAN NOTE  
AND SECURITY AGREEMENT**

Savings Account Installment Loan No. \_\_\_\_\_ February 7, 2004  
~~Pledged Savings Account No.~~ \_\_\_\_\_ \$ 9,800.00  
\_\_\_\_\_  
(Principal Amount)

FOR VALUE RECEIVED, the undersigned promises to pay to the order of CENTRAL FEDERAL SAVINGS AND LOAN ASSOCIATION ("Lender"), a corporation organized and existing under the laws of the United States of America, at its offices at 5953 Cermak Road, Cicero, Illinois 60650, or at such other place as the holder of this Note may designate from time to time in writing, the principal sum of Nine Thousand Eight Hundred and no/100

\_\_\_\_\_ Dollars  
(\$ 9,800.00 ) and interest thereon from February 6, 2004,

calculated at the rate of -0- percent (-0- %) per annum payable in monthly installments (including principal and interest) as follows:

Eight Hundred Twenty-five \_\_\_\_\_ Dollars

(\$ 825.00 ) on the 1st day of March, 2004, and on the same day of each month thereafter until this Note is fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due on the 1st day of February, 2005.

~~Interest shall be based on a 365 day year and calculated on a per day basis. Each payment shall be applied first to interest accrued for days before the date the payment is made, then to any interest previously accrued but not previously paid, and the balance to principal.~~

This Note may be prepaid in full at any time or in part at any time and from time to time. Any payment hereunder shall be deemed received by Lender at the time it is actually received by Lender at the address provided hereinabove.

~~This Note is secured by a pledge of the above numbered savings account in Central Federal Savings and Loan Association.~~

~~In the event of any default in payment when due, the Lender may, without a court order, apply any part of the balance in the pledged savings account and apply the same to the then unpaid balance. Borrower shall be obligated to pay all legal fees and expenses, including without limitation, reasonable attorneys fees incurred by the Lender in the collection or enforcement of the debt.~~

Any notice hereunder shall be deemed given when deposited in the regular, first class United States mail, postage prepaid, addressed, in the case of a notice to Lender, to Lender at the address provided above and, in the case of a notice to the undersigned, at the address provided below. Whenever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but, in the event that any provision hereof shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Note.