

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION
And The
FEDERAL DEPOSIT INSURANCE CORPORATION

In the Matter of:

Peter M. Hueser

**Former President of
Commercial Loan Corporation
Oak Brook, Illinois**

**Service Provider to
UmbrellaBank, fsb, Chicago, Illinois,
OTS No. 08462, and Harvard Savings Bank,
Harvard, Illinois,
(Insured State Nonmember Bank)
and other financial institutions.**

OTS Order No.: ATL-2004-26

FDIC: 04-146e

Dated: September 16, 2004

ORDER OF PROHIBITION

WHEREAS, Peter M. Hueser (“Hueser”) has executed a Stipulation and Consent to Issuance of an Order of Prohibition (“Stipulation”); and

WHEREAS, Hueser, by his execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition (“Order”) by the Office of Thrift Supervision (“OTS”) and the Federal Deposit Insurance Corporation (“FDIC”), pursuant to 12 U.S.C. §1818(e).¹

NOW, THEREFORE, IT IS ORDERED that:

1. Hueser is and shall be subject to the statutory prohibitions provided by 12 U.S.C. § 1818(e). Due to and without limitation on the operation of 12 U.S.C. §§ 1818(e)(6) and 1818(e)(7), Hueser, except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and the FDIC (acting through its Board of Directors or

¹ All references in this Order of Prohibition (“Order”) are to the United States Code as amended.

an authorized representative thereof), and any other “appropriate Federal financial 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 any agency specified in 12 U.S.C. § 1818(e)(7)(A) (“Covered Institution”), including:

(i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, state banks, trust companies, and other banking institutions;

(ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 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. §§ 1781 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 Covered Institution;

(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.

2. This Order is and shall be effective on the date it is issued, as shown in the caption hereof.

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. 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

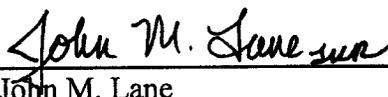
FEDERAL DEPOSIT INSURANCE
CORPORATION

By:

By:



John E. Ryan
Southeast Regional Director



John M. Lane
Deputy Director
Division of Supervision
And Consumer Protection

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(Insured State Nonmember Bank))	
and other financial institutions)	

STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision (“OTS”) and the Federal Deposit Insurance Corporation (“FDIC”), based upon information derived from the exercise of their regulatory responsibilities, have informed Peter M. Hueser (“Hueser”), President of Commercial Loan Corporation, Oak Brook, Illinois (“CLC”), that the OTS and the FDIC are of the opinion that grounds exist to initiate administrative proceedings against Hueser pursuant to 12 U.S.C. § 1818(e),¹ and

WHEREAS, Hueser desires to cooperate with the OTS and the FDIC to avoid the time and expense of such administrative litigation, and without admitting or denying that such

¹ All references in this Stipulation and Consent to Issuance of an Order of Prohibition (“Stipulation”) are to the United States Code as amended.

grounds exist (but admitting the statements and conclusions in Paragraph 1 below), and pursuant to Rule 408 of the Federal Rules of Evidence, and subject to acceptance of this Stipulation and Consent to Issuance of an Order of Prohibition ("Stipulation") by the OTS and the FDIC, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) CLC is an Illinois corporation in the business of selling loans and loan participations to, and servicing loans for, federally insured financial institutions. Heuser was the president of and is the controlling shareholder of CLC.

(b) CLC sold loans and loan participations to, and serviced loans on behalf of, federally insured financial institutions pursuant to contracts with such institutions, including UmbrellaBank, fsb, Chicago, Illinois ("UmbrellaBank"), and Harvard Savings Bank, Harvard, Illinois ("Harvard") and thirteen (13) other insured financial institutions.

(c) Pursuant to 12 U.S.C. 1464(d)(7)(D), CLC is subject to regulation and examination by the Director of the OTS to the same extent as if the services CLC provides to client savings associations were performed by the savings associations on their own premises. In addition, pursuant to 12 U.S.C. 1464(d)(7)(E), the Director of the OTS may issue orders, including orders pursuant to 12 U.S.C. 1818, as may be necessary for the Director to administer the provisions of section 1464(d).

(d) Pursuant to 12 U.S.C. 1867(c)(1), CLC is subject to regulation and examination by the FDIC to the same extent as if the services CLC provides to client banks were performed by the banks on their own premises. In addition, pursuant to 12 U.S.C. 1867(d), the FDIC may issue orders, including orders pursuant to 12 U.S.C. 1818, as may be necessary for the FDIC to administer the provisions of section 1867(c).

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

(f) Harvard, at all times relevant hereto, was an “insured bank” within the meaning of 12 U.S.C. 1813(a)(2) and 12 U.S.C. 1861(b)(5). Accordingly, Harvard is an “insured depository institution” as that term is defined in 12 U.S.C. 1813(c).

(g) Hueser, as a former agent or independent contractor for insured depository institutions, is an “institution-affiliated party” as that term is defined in 12 U.S.C. § 1813(u)(1) and (u)(4).

(h) Pursuant to 12 U.S.C. § 1813(q), the OTS and the FDIC are each an “appropriate Federal banking agency” with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties of savings associations (OTS) and state-chartered banks that are not members of the Federal Reserve System (FDIC). Therefore, Hueser is subject to the authority of the OTS and the FDIC to initiate and maintain administrative proceedings against him pursuant to 12 U.S.C. § 1818(e).

2. OTS and FDIC Findings of Fact.

(a) The OTS and the FDIC find that Hueser, between 2002 and April 2004, without authorization, approval or knowledge of the client insured depository institutions, caused loan payments due to those lending institutions to be diverted to fund other loans made by CLC, and sold loans or loan participations to insured depository institutions in excess of 100% of the loan amounts.

(b) As a result of his actions, Hueser (1) violated laws and regulations, engaged in unsafe and unsound practices, and breached a fiduciary duty to the client insured depository institutions; and as a result, (2) the client insured depository institutions suffered financial loss or other damage and/or the interests of the institutions’ depositors have been or could be prejudiced, and Hueser received financial gain and other benefit; and (3) the violation, practice and breach demonstrate personal dishonesty or willful and/or continuing disregard by Hueser for the safety and soundness of the insured depository institutions.

3. Consent.

In the event that the OTS and the FDIC accept this Stipulation, Hueser consents to the

issuance by the OTS and the FDIC of the accompanying Order of Prohibition ("Order"). Hueser 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 and the FDIC under the authority of 12 U.S.C. § 1818(e). Upon issuance by the Regional Director or designee for the Southeast Region, OTS, and [FDIC designee], the Order shall be final, effective and fully enforceable by the OTS or the FDIC under the provisions of 12 U.S.C. § 1818(i).

5. Waivers.

Heuser waives the following:

- (a) the right to be served with a written notice of the OTS's and the FDIC's charges against him;
- (b) the right to an administrative hearing of the OTS's and the FDIC'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;
- (d) any and all claims against the OTS or the FDIC, including their employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this 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, its consent to the 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.

Hueser shall neither cause nor permit any insured depository institution (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any cost for any legal or other professional expenses incurred relative to the

negotiation and issuance of the Order. Any such payments received by or on behalf of Hueser in connection with this action shall be returned to the insured depository institution (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

Hueser acknowledges and agrees that his consent to the issuance of the Order is for the purpose of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or affect any actions, charges against, or liability of Hueser 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 or the FDIC.

8. Reservation of Rights

Hueser acknowledges that the OTS and the FDIC reserve the right to bring such additional action(s), charge(s), or proceeding(s) arising from or related in any way to the OTS and FDIC Findings of Fact, or to any other matter, as the OTS or the FDIC deems appropriate, in their sole discretion.

9. Agreement for Continuing Cooperation

Hueser agrees that, at the OTS's or the FDIC'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 the OTS or by the FDIC.

10. 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 or the FDIC in this Stipulation and the Order shall also mean any of the OTS's or the FDIC'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 Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative, and by the FDIC, acting through its Board of Directors or other authorized representative.

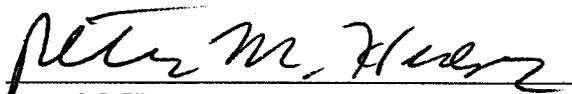
11. Acknowledgment of Criminal Sanctions.

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

WHEREFORE, Hueser executes this Stipulation and Consent to Issuance of an Order of Prohibition, intending to be legally bound hereby.

By:

Accepted by:
Office of Thrift Supervision

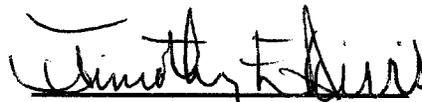

Peter M. Hueser


John E. Ryan
Southeast Regional Director

Dated: JUNE 23, 2004

Dated: _____

Federal Deposit Insurance Corporation


Timothy E. Divis
Regional Counsel

Dated: July 7, 2004

ACKNOWLEDGMENT

State of Illinois

County of COOK

On this 23rd day of JUNE, 2004, before me, the undersigned notary public, personally appeared Peter M. Hueser and acknowledged his execution of the foregoing Stipulation and Consent to Issuance of an Order of Prohibition.

Terry Lynn Scott
Notary Public

My Commission expires: 11-19-06

