

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION  
DEPARTMENT OF THE TREASURY

In the Matter of: )

ROLAND B. BONAR )

Former Officer, )  
Director and Institution- )  
Affiliated Party of: )

First Savings of America, )  
Orland Park, Illinois )

Re: A.P. No. 92-87

Order No. OTS CHI-93-13

Dated: June 29, 1993

**STIPULATION AND CONSENT TO ISSUANCE OF  
ORDER TO CEASE AND DESIST AND ORDER OF PROHIBITION**

The Office of Thrift Supervision (OTS), by and through its Regional Director, Ronald N. Karr, and Roland B. Bonar ("BONAR") hereby stipulate and agree as follows:

1. On August 27, 1992, OTS approved and issued OTS Order No. OTS AP 92-87, a Notice of Charges for Cease and Desist Order to Direct Restitution and Other Appropriate Relief; Notice of Intention to prohibit; and Notice of Hearing ("NOTICE"). See sections 8(b) and 8(e) of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. §§ 1818 (b) and 1818(e), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Pub. L. No. 101-73, 103 Stat. 183 (Aug. 9, 1989); and the pre-FIRREA versions of Sections 407(e) and 407(g) of the National Housing Act, as amended (NHA), 12 U.S.C. §§ 1730(e) and

(g).

### JURISDICTION

2. First Savings of America, of Orland Park, Illinois ("First Savings"), was a stockholder-owned, state chartered savings association organized under the laws of the State of Illinois and, at all times relevant to the allegations set forth in the Notice, was an "insured institution" within the meaning of 12 U.S.C. § 1724.

3. Until August 9, 1989, the Federal Home Loan Bank Board (FHLBB) was the regulatory agency with jurisdiction over First Savings and persons participating in the conduct of its affairs, pursuant to 12 U.S.C. §§ 1726 and 1730. As of August 9, 1989, the OTS succeeded to the interests of the FHLBB with respect to the supervision and regulation of all savings associations, pursuant to Sections 3(q)(4), 8(b), and 8(e) of the FDIA, 12 U.S.C. §§ 1813(q)(4), 1818(b) and (e), as amended by FIRREA. As successor in interest to the FHLBB, the OTS, by and through its Regional Director, has the authority to apply the remedies set forth in Sections 5(d)(2) and 5(d)(4) of the Home Owners' Loan Act (HOLA), 12 U.S.C. §§ 1464(d)(2) and (4); Sections 8(b) and 8(e) of the FDIA, as amended by FIRREA, 12 U.S.C. §§ 1818(b) and (e); and Sections 407(e) and 407(g) of the NHA, 12 U.S.C. § 1730(e) and (g).

4. BONAR was an "institution-affiliated party" with respect to First Savings as that term is defined in Section 9(u)

of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(u).

5. At all times pertinent to the Notice, BONAR was a "person participating in the affairs" of First Savings. Accordingly, BONAR is subject to the jurisdiction of the OTS to maintain this proceeding.

CONSIDERATION

6. BONAR desires to cooperate with the OTS to avoid the time and expense of the above-captioned administrative litigation initiated by the OTS as a result of the NOTICE. Without admitting or denying the assertions in the NOTICE, and solely for the purposes of effecting this Stipulation and Consent to Issuance Of Order to Cease and Desist and Order of Prohibition ("the STIPULATION AND CONSENT"), BONAR stipulates and agrees to the provisions, terms, and conditions set forth herein and in the accompanying Order to Cease and Desist and Order of Prohibition ("the ORDER").

7. BONAR shall forward payments to the OTS, or its successor, or to any entity that OTS or its successor(s) may designate, according to the following schedule, until the amount of \$135,000 is paid:

<u>Payment</u>	<u>Amount</u>	<u>Date Due</u>
1	\$10,000	Within 10 days of execution of the ORDER

2	\$15,000	Within 30 days of execution of the ORDER. If BONAR obtains the funds for this payment through refinancing of his residence, he shall provide to OTS by this date evidence that he has sought refinancing, and shall make the payment within 10 days of closing
3	\$18,333.50	December 31, 1993
4	\$18,333.50	June 1, 1994
5	\$18,333.50	December 31, 1994
6	\$18,333.50	June 1, 1995
7	\$18,333.50	December 31, 1995
8	\$18,333.50	June 1, 1996

8. BONAR shall establish a bank account exclusively for the deposit of payments he receives from Dale Carnegie & Associates, Inc. ("Carnegie") pursuant to the "Contract for Transfer of License Rights in the States of Colorado and Wyoming," executed on August 15, 1988. Said account shall not contain any funds other than the payments BONAR receives from Carnegie and any interest earned thereon. BONAR shall provide to OTS copies of all documentation pertaining to the account, including all statements.

9. In the event BONAR fails to make, in a timely manner, any payment due under the foregoing schedule, he shall be in

default and the entire unpaid balance shall be due and payable within five (5) days, unless OTS determines, in its sole discretion, to permit BONAR to make payment at a later time.

#### PROHIBITION

10. BONAR shall not hold any office in or participate in any manner in the conduct of the affairs of institution(s) or other entity or entities, as set forth in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of the Regional Director, Central Region, of OTS, or his designee, and, if appropriate, the approval of other Federal financial institutions or regulatory agencies. Pursuant to Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818 (e)(6), conduct prohibited by this ORDER includes, inter alia, the solicitation, transfer, or exercise of any voting rights with respect to any securities issued by any insured institution, voting for a director of an insured institution, or acting as an institution-affiliated party.

#### FINANCIAL DISCLOSURE

11. Prior to the issuance of this STIPULATION AND CONSENT, BONAR provided OTS with financial disclosure supported by sworn affidavits. This disclosure and the accompanying affidavits were expressly relied upon by the OTS in agreeing to enter into the STIPULATION AND CONSENT and issuance of the ORDER. BONAR shall, within 15 days of the entry of the ORDER, either (a) provide a

sworn affidavit under penalty of perjury stating that the previously submitted financial disclosure is still true and correct or, in the alternative, (b) submit financial disclosure, updated to the date of the ORDER, accompanied by a sworn affidavit under penalty of perjury that the information contained in such updated financial disclosure is true and correct.

#### CONSENT

12. BONAR consents to the issuance by OTS of the accompanying ORDER. Further, BONAR agrees to comply with the terms, provisions, and conditions of the ORDER upon its issuance and stipulates that the ORDER complies with all applicable requirements of law.

#### FINALITY

13. The ORDER is issued pursuant to Sections 8(b) and 8(e) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(b) and 1818(e). Upon its issuance by the Regional Director, Central Region, of OTS, the ORDER shall be a final order, effective and fully enforceable by the OTS, its successor(s), or an appropriate Federal banking agency pursuant to the provisions of Section 8(i) of the FDIA, U.S.C. § 1818(i).

#### MISCELLANEOUS

14. In any bankruptcy proceeding in which it is or may be contended that BONAR's obligation to make the payment of

restitution pursuant to the ORDER is subject to discharge, BONAR will in no manner contest OTS's assertions, under 11 U.S.C. § 523(a)(11) or otherwise, that the obligation is for, and that the ORDER arises out of, acts that result in claims not dischargeable in bankruptcy in any circumstances, pursuant to any of the provisions of the United States Bankruptcy Code.

15. Concurrently with this STIPULATION AND CONSENT, BONAR shall execute a Financing Statement and a Security Agreement, copies of which are attached hereto as Exhibits A and B, respectively. OTS shall file the Financing Statement and Security Agreement in Colorado after execution of the ORDER. BONAR warrants that he has not sold, pledged, or otherwise permitted any encumbrance, lien or security interest to exist in or on the collateral for such Security Agreement in favor of any person. Further, he commits that he shall not sell, pledge, or otherwise permit any encumbrance, lien or security interest to exist in or on the collateral for such Security Agreement in favor of any person while any amount of restitution remains unpaid.

16. In consideration of BONAR's agreement to comply with the ORDER, and, inter alia, the recitals set forth in the STIPULATION AND CONSENT, the OTS agrees to (1) dismiss the above-captioned enforcement proceeding against BONAR and (2) forebear from bringing any further enforcement proceedings against BONAR based upon, or arising from, BONAR's conduct as an institution-affiliated party of First Savings, as that term is defined in

Section 3(a) of the FDIA, 12 U.S.C. § 1813(a).

17. BONAR's obligation under paragraph 2 of the ORDER is his sole and separate obligation and will not be reduced by payments made to any entity other than the OTS or its successor by or on behalf of BONAR, and will not be reduced or subject to an off-set as a result of any payment made by or on behalf of any other person or entity.

#### WAIVERS

18. BONAR waives his right to the administrative hearing provided by Section 8(b) and 8(e) of the FDIA, 12 U.S.C. §§ 1818(b) and (e). BONAR waives his right to seek judicial review of this STIPULATION and CONSENT or of the ORDER, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h).

#### SETTLED CLAIMS

19. BONAR agrees that he is entering into this STIPULATION and CONSENT and the accompanying ORDER for the purposes of resolving the claims in the NOTICE and any and all other claims that might be asserted by the OTS arising out of BONAR's participation in the affairs of First Savings and/or its institution-affiliated parties as set forth in the NOTICE. This STIPULATION and CONSENT and the ORDER do not resolve, affect or preclude any other administrative or criminal claims or proceedings that may be brought against BONAR by any government

entity other than OTS.

WHEREFORE, in consideration of the foregoing, and intending to be legally bound hereby, the Office of Thrift Supervision, by and through its Regional Director, Ronald N. Karr, and Roland B. Bonar, intentionally and knowingly execute this STIPULATION AND CONSENT.

/S/

\_\_\_\_\_  
James B. Burns  
Attorney for Roland B. Bonar

Date: June 0, 1993

/S/

\_\_\_\_\_  
Roland B. Bonar

Date: June 11, 1993

OFFICE OF THRIFT SUPERVISION  
By:

/S/

\_\_\_\_\_  
Ronald N. Karr  
Regional Director  
Central Region

Date: June 27, 1993

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION  
DEPARTMENT OF THE TREASURY

In the Matter of: )

ROLAND B. BONAR )

Former Officer, )  
Director and Institution- )  
Affiliated Party of: )

First Savings of America, )  
Orland Park, Illinois )

Re: A.P. No. 92-87

Order No. OTS CHI-93-13

Dated: June 29, 1993

**ORDER TO CEASE AND DESIST AND ORDER OF PROHIBITION**

WHEREAS, the Office of Thrift Supervision on August 27, 1992 issued a Notice of Charges for Cease and Desist Order to Direct Restitution and Other Appropriate Relief; Notice of Intention to Prohibit; and Notice of Hearing ("the Notice"); and

WHEREAS, Roland B. Bonar ("BONAR") has executed a Stipulation and Consent to Issuance of Order to Cease and Desist and Order of Prohibition ("Stipulation and Consent"); and

WHEREAS, BONAR, in the Stipulation and Consent, has consented and agreed to the issuance of this Order to Cease and Desist and Order of Prohibition ("Order"), pursuant to Section 8(b) of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. § 1818(b); and

WHEREAS, the Director of the Office of Thrift Supervision (OTS) has delegated to the Regional Director of the OTS the authority to issue orders to cease and desist and orders of prohibition on behalf of the OTS where there is consent to the issuance of such orders.

NOW, THEREFORE, IT IS ORDERED THAT:

1. BONAR shall cease and desist from:

a. Committing, committing in the future, or aiding and abetting the commitment of, the violations of laws, regulations, rules and agreements alleged against him in the Notice; and

b. Committing, committing in the future, or aiding and abetting the commitment of, the unsafe and unsound practices alleged against him in the Notice.

2. BONAR shall pay restitution in the amount of One Hundred Thirty-Five Thousand Dollars (\$135,000) to the Office of Thrift Supervision (OTS), or its successor, or to any entity that OTS or its successor(s) may designate, according to the following schedule:

<u>Payment</u>	<u>Amount</u>	<u>Date Due</u>
1	\$10,000	Within 10 days of execution of the ORDER
2	\$15,000	Within 30 days of execution of the ORDER. If BONAR obtains the funds for this payment through refinancing of his residence, he shall provide to OTS by this date evidence that he has sought refinancing, and shall make the payment within 10 days of closing
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3. BONAR shall establish a bank account exclusively for the deposit of payments he receives from Dale Carnegie & Associates, Inc. ("Carnegie") pursuant to the "Contract for Transfer of License Rights in the States of Colorado and Wyoming," executed on August 15, 1988. Said account shall not contain any funds other than the payments BONAR receives from Carnegie and any interest earned thereon. BONAR shall provide to OTS copies of all documentation pertaining to the account, including all statements.

4. In the event BONAR fails to make, in a timely manner, any payment due under the foregoing schedule, he shall be in default and the entire unpaid balance shall be due and payable within five (5) days, unless OTS determines, in its sole discretion, to permit BONAR to make payment at a later time.

5. In any bankruptcy proceeding in which it is or may be contended that BONAR's obligation to make the payment of restitution pursuant to the ORDER is subject to discharge, BONAR will in no manner contest OTS's assertions, under 11 U.S.C. § 523(a)(11) or otherwise, that the obligation is for, and that the ORDER arises out of, acts that result in claims not dischargeable in bankruptcy in any circumstances, pursuant to any of the provisions of the United States Bankruptcy Code.

6. Concurrently with this ORDER, BONAR shall execute a Financing Statement and a Security Agreement, copies of which are attached hereto as Exhibits A and B, respectively. OTS shall file the Financing Statement and Security Agreement in Colorado after execution of the ORDER. BONAR agrees that a violation of the terms of the Security Agreement shall constitute a violation of this Order. BONAR warrants that he has not sold, pledged, or otherwise permitted any encumbrance, lien or security interest to exist in or on the collateral for such Security Agreement in favor of any person. Further, he commits that he shall not sell, pledge, or otherwise permit any encumbrance, lien or security interest to exist in or on the collateral for such Security Agreement in favor of any person while any amount of restitution remains unpaid.

7. All payments by BONAR pursuant to this Order shall be made payable to the Federal Deposit Insurance Corporation (FDIC) and delivered to:

Michael Del Medico, Esquire  
Office of Thrift Supervision  
Central Region  
Suite 800  
111 East Wacker Drive  
Chicago, IL 60601

or as otherwise directed by the OTS or its successor in interest.

8. BONAR shall not hold any office in or participate in any manner in the conduct of the affairs of institution(s) or other entity or entities, as set forth in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of the Regional Director, Central Region, of OTS, or his designee, and, if appropriate, the approval of other Federal financial institutions or regulatory agencies. Pursuant to Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818 (e)(6), conduct prohibited by this ORDER includes, inter alia, the solicitation, transfer, or exercise of any voting rights with respect to any securities issued by any insured institution, voting for a director of an insured institution, or acting as an institution-affiliated party.

9. OTS agrees to dismiss BONAR from the above-captioned administrative litigation in consideration of BONAR's agreement to comply with this Order and, inter alia, the recitals set forth in the Stipulation and Consent.

10. The Stipulation and Consent, this Order, the payment by BONAR contemplated as part of this Order, and the dismissal of BONAR from the above-captioned administrative litigation, settle only the charges set forth in the Notice as they pertain to BONAR.

11. The Stipulation and Consent, this Order, the payment by BONAR contemplated as part of this Order, and the dismissal of BONAR from the above-captioned administrative litigation do not compromise, settle, dismiss, resolve, or in any way affect any other administrative or criminal claims or proceedings that may be brought against BONAR by any government entity other than OTS.

12. All technical words or terms used in this Order, for which meanings are not specified or otherwise provided by the provisions of this Order shall, insofar as applicable, have meanings as defined in the rules and regulations adopted by the OTS (including, without limitation, 12 C.F.R. § 561.1 et seq.). Any such technical words or terms used in this Order and undefined in said rules and regulations shall have meanings that accord with the best custom and usage in the thrift industry.

13. This Order is subject to the provisions of section 8(j) of the FDIA, 12 U.S.C. § 1818(j).

14. This Order shall become effective on the date it is issued. It shall remain in effect until terminated, modified, or suspended by the OTS, acting by and through the Regional Director or designee.

15. In the event any provision of this Order shall be declared invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby

OFFICE OF THRIFT SUPERVISION  
BY:

/S/

\_\_\_\_\_  
Ronald N. Karr  
Regional Director  
Central Region