UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of : DAVID JOHN ORCHOWSKI Former Officer and Institution-Affiliated Party of: First Federal Savings of Hegewisch, Chicago, Illinois	Re: Resolution No. CHI-92-01 Dated: January 2, 1992

STIPULATION AND CONSENT TO ISSUANCE OF ORDER OF PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Central Region, and David John Orchowski ("Orchowski"), a former Executive Vice President and Chief Financial Officer of First Federal Savings of Hegewisch, Chicago, Illinois ("Hegewisch"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative prohibition proceeding against Orchowski pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e). Orchowski desires to avoid the time and expense of such administrative litigation and hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative prohibition litigation against him.

2. Jurisdiction. The OTS is of the opinion that: (a) Hegewisch is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act of 1933. 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) Orchowski, as a former executive vice president and chief financial officer of Hegewisch, is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) Pursuant to Section 3 of the FDIA, the Director of the OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against such a savings association or its institution-affiliated parties. Therefore, Orchowski is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

(d) From on or about October 12, 1984 to on or about September 27, 1991, at Chicago, Illinois, Orchowski knowingly executed a scheme to defraud Hegewisch, a federally insured financial institution. Orchowski, who at all relevant times was employed as an officer of Hegewisch, willfully misapplied funds belonging to and under the custody and control of Hegewisch to make loans to various individuals. Over the course of the scheme to defraud, which began in approximately June 1982, Orchowski made not less than sixty unauthorized loans with funds belonging to Hegewisch, totaling not less than $6,500,000. Many of the loans were made to individuals who had applied to Hegewisch for loans but had been turned down by Hegewisch for reasons relating to credit, loan purpose, or Hegewisch's loan policies. Orchowski failed to obtain properly executed loan documentation for many of the unauthorized loans, and failed to perfect Hegewisch's security interest in collateral for the loans.

(e) The majority of the unauthorized borrowers were not required by Orchowski to make payments on the unauthorized loans. However, when payments were made on the unauthorized loans, Orchowski diverted the payments to an account he controlled at Hegewisch under a false name. Orchowski used some of the proceeds of these unauthorized loan payments, totaling approximately $100,000, to purchase securities and life insurance for himself, and to pay personal bills. Orchowski also used the proceeds to purchase services for Hegewisch, including the services of Institutional Treasury Management, Inc., an investment consulting firm which Hegewisch's board of directors had refused to retain.

(f) Also in furtherance of the scheme to defraud, in January and February 1991, Orchowski converted approximately $311,000 in funds belonging to customers of Hegewisch, and used the funds to make additional unauthorized loans. In addition to making unauthorized loans, Orchowski, without authorization, altered the terms of nine or more loans properly granted and authorized by Hegewisch, in order to reduce the interest rate

and loan fees charged by Hegewisch, or to alter the term of the loans. Also in furtherance of the scheme to defraud, and to conceal the scheme from law enforcement officials and from Hegewisch, from December 1989 to July 1991 Orchowski paid approximately $1,700,000 to three individuals for the purpose of preventing those individuals from publicizing Orchowski's unlawful activity at Hegewisch. Orchowski used funds belonging to Hegewisch to make these payments, without the consent or authorization of the other officers or board of directors of Hegewisch.

3. Consent. Orchowski consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"), a copy of which is attached hereto and incorporated as Exhibit A. He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director for the Central Region, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(e) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. Orchowski waives his right to a notice of intention to prohibit and the administrative hearing provided by Section 8(e) of the FDIA, 12 U.S.C. § 1818(e), and further waives any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the Regional Director for the Central Region, on behalf of the OTS, and Orchowski execute this Stipulation and Consent to Issuance of Order of Prohibition.

OFFICE OF THRIFT SUPERVISION	DAVID JOHN ORCHOWSKI
BY: /S/	/S/
Stuart M. Brafman Regional Director Central Region	David John Orchowski
Date: 1-3-92	Date: 12-27-91

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

FILOB
OFFICE OF

In the Matter of: DAVID JOHN ORCHOWSKI Former Officer and Institution-Affiliated Party of: First Federal Savings of Hegewisch, Chicago, Illinois	Re: Resolution No. CHI-92-01 Dated: January 2, 1992

ORDER OF PROHIBITION

WHEREAS, David John Orchowski ("Orchowski") has executed a Stipulation and Consent to Issuance of Order of Prohibition ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Central Region;

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

WHEREAS, the OTS reserves the right to pursue restitution and/or civil money penalties against Orchowski.

NOW THEREFORE, IT IS ORDERED THAT:

1. Orchowski is prohibited from further participation, in any manner, in the conduct of the affairs of First Federal Savings of Hegewisch, Chicago, Illinois, and any of its service corporations, subsidiaries, and successors.

2. Without the prior written approval of the Regional Director of the Central Region of the OTS and, if appropriate, another Federal financial institutions regulatory agency, Orchowski may not act as a director for, hold any office in, or participate in any manner in the conduct of the affairs of any institution(s) or other entity as set forth in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A), hereinafter referred to as a "Covered Institution." Pursuant to Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6), conduct prohibited by this Order also includes inter alia, the solicitation, transfer or exercise of any voting rights with respect to any securities issued by any insured depository institution.

3. Nothing in this Order, however, prohibits Orchowski from being a customer, as a depositor or borrower, of a Covered Institution.

4. From the effective date of this Order, Orchowski shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

5. This Order shall become effective on the date it is issued.

6. This Order shall remain in effect until modified or terminated by the OTS.

OFFICE OF THRIFT SUPERVISION

/S/

BY: _____
Stuart M. Brafman
Regional Director
Central Region

DATE: 11/3/92