

in this Stipulation and Consent to Entry of an Order of Civil Money Penalty Assessment ("Stipulation") and the accompanying Order of Civil Money Penalty Assessment ("Order"). The OTS has determined that it is appropriate, and in the best interest of the public, to execute this Stipulation and the attache Order.

2. Allegations. The OTS is of the opinion, and Chesney neither admits nor denies, that:

(a) Chesney breached her fiduciary duty to Avondale and engaged in unsafe and unsound practices in that Chesney and other members of the Avondale board of directors:

(1) failed to adequately ensure compliance with the FDIC directive issued following the 1989 FDIC examination that required the implementation of policies and procedures for the payment of charges and expenses;

(2) failed to adequately ensure compliance with the FDIC directive issued following the 1989 FDIC examination that required the board of directors to review the list of approximately \$10,000 in expenses incurred by Irving V. Boberski, to determine whether said expenses were personal in nature, and to require reimbursement of any personal expenses;

(3) failed to adopt and implement, in a timely fashion subsequent to receiving notice of the deficiencies cited in the 1989 FDIC report, written policies and procedures relating to the payment by Avondale of travel advances, travel and entertainment expenses and other business-related expenses; and

(4) failed to obtain an appraisal of the property located at the intersection of Deerpath and Green Bay Roads, Lake Forest, Illinois, prior to adopting a resolution to donate the property to the Lake Forest Open Lands Association in October 1989 and prior to donating the property to the Lake Forest Open Lands Association in November 1989.

(b) Chesney and other members of the Avondale board of directors caused Avondale to violate 12 C.F.R. §563.170(c) which required Avondale to establish and maintain sufficient records so as to provide an accurate and complete record of all business transactions, in that Chesney and other members of the Avondale board of directors failed to implement adequate policies and procedures, in a timely fashion after receiving notice of the deficiencies cited in the 1989 FDIC report, relating to the establishment and maintenance of records relating to the legitimate Avondale business purpose of charges and expense.

3. Jurisdiction.

(a) Avondale is a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C.A. §1813(b) and Section 2(4) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C.A. §1462(4) (West Supp. 1992). Accordingly, Avondale is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C.A. §1813(c).

(b) Until August 9, 1989, the Federal Home Loan Bank Board ("FHLBB") was the regulatory agency with jurisdiction over Avondale and persons participating in the conduct of the affairs

thereof, including Chesney, pursuant to Section 5 of the HOLA, 12 U.S.C.A. §1464.

(c) As of August 9, 1989, pursuant to Section 3(q) of the FDIA, as amended by Section 204 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA") (Pub. L. No. 101-73, 103 Stat. 183 (August 9, 1989)), 12 U.S.C.A. §1813(q), the OTS succeeded to the interests of the FHLBB with respect to the supervision and regulation of all savings associations, and thus became the "appropriate Federal banking agency" with jurisdiction over Avondale and persons participating in the affairs thereof.

(d) Chesney, as a director of Avondale is deemed to be an "institution-affiliated party" of Avondale as that term is defined by Section 3(u) of the FDIA, 12 U.S.C.A. §1813(u), having served in such capacity within six (6) years of the date hereof.

(e) Pursuant to Section 3 of the FDIA, as amended, the OTS is the "appropriate Federal banking agency" to assess civil money penalties against institution-affiliated parties. Therefore, Chesney is subject to the authority of the OTS to initiate and maintain civil money penalty proceedings against Chesney pursuant to Section 8(i) of the FDIA, 12 U.S.C.A. §1818(i).

4. Consent. Chesney consents to the issuance by OTS of the accompanying Order and further agrees to comply with its terms, provisions, and conditions upon issuance and stipulates that the Order complies with all requirements of law.

HFC
Sept 14, 1989

5. Finality. The Order is issued under Section 8(i)(2) of the FDIA, 12 U.S.C.A. §1818(i)(2), as amended. Upon its issuance, it shall be a final order, effective and fully enforceable by OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C.A. §1818(i), as amended.

6. Waivers. Chesney waives the right to a Notice of Assessment of Civil Money Penalty provided by Section 8(i)(2)(H) of the FDIA, 12 U.S.C.A. §1818(i)(2)(H), and the administrative hearing provided by Section 8(i)(2) of the FDIA, 12 U.S.C.A. §1818(i)(2), and further waives her right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C.A. §1818(h), or to otherwise challenge the validity of the Order.

7. Other Actions, Proceedings and Parties. By entering into this Stipulation, the OTS and Chesney acknowledge and agree explicitly to the following provisions:

(a) Chesney acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and Chesney's consent to the entry of the Order are for the purposes of resolving this OTS enforcement matter only, and do not resolve, affect or preclude any other civil or criminal proceeding which may be or have been brought against Chesney by the OTS or another governmental entity. By signing this document Chesney agrees that she will not assert the assessment or payment of this penalty as the basis for a claim of double jeopardy in any pending or future proceeding brought by the

Handwritten signature and date:
11/16/12

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:) Re: Resolution No. CHI-92-37
) Dated: September 25, 1992
Betty Jane Chesney,)
a Director of)
Avondale Federal Savings)
Bank, Chicago, Illinois)

ORDER OF CIVIL MONEY PENALTY ASSESSMENT

WHEREAS, Betty Jane Chesney ("Chesney"), without admitting or denying the allegations contained therein, has executed a Stipulation and Consent to Entry of an Order of Civil Money Penalty Assessment ("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 Regional Office ("Regional Director"); and

WHEREAS, Chesney has consented and agreed in the Stipulation to the issuance of this Order of Civil Money Penalty Assessment ("Order") pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act, 12 U.S.C.A. §1818(i)(2) (West 1989 & Supp. 1992);

NOW THEREFORE, IT IS ORDERED that:

1. Within five (5) business days of the effective date of this Order, Chesney shall pay to OTS the sum of Seven Thousand Five Hundred Dollars (\$7,500.00) by tendering a certified check to the Regional Director in that amount, made payable to the Treasurer of the United States.

[Handwritten signature]
[Handwritten date: Sept 25 1992]

