

UNITED STATES OF AMERICA  
BEFORE THE  
OFFICE OF THRIFT SUPERVISION

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In the Matter of

William J. Bartolic  
  
Former Director of  
United Federal Savings Bank  
Windom, Minnesota

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Re: Resolution No. DM 90-13  
Dated: 7-13-90

STIPULATION AND CONSENT TO ISSUANCE  
OF ORDER OF PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its District Director for the Des Moines District Office, and William J. Bartolic, Former Director of United Federal Savings, Windom, Minnesota ("United"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that the grounds exist to initiate an administrative prohibition proceeding against William J. Bartolic pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") (to be codified at 12 U.S.C. § 1818(e)). William J. Bartolic desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, while denying that such grounds exist,

hereby stipulates and agrees to the following terms in consideration of the forbearance of OTS from initiating such administrative prohibition litigation against him.

2. Jurisdiction.

(a) United is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act of 1933, as amended by FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(c)).

(b) William J. Bartolic, as a former director of United, is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(u)).

(c) Pursuant to Section 3 of the FDIA as amended by FIRREA, the OTS is the "appropriate Federal banking agency" to maintain enforcement proceedings against such a savings association or its institution-affiliated parties. Therefore, William J. Bartolic 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, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)).

3. Consent. William J. Bartolic consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). 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, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)). Upon its issuance by the District Director for the Des Moines District Office, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(i)).

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

WHEREFORE, in consideration of the foregoing, the District Director for the Des Moines District Office, on behalf of the OTS, and William J. Bartolic execute this Stipulation and Consent to Issuance of Order of Prohibition.

OFFICE OF THRIFT SUPERVISION

By 181  
Donald W. Wente  
District Director  
Des. Moines District Office

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William J. Bartolic

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Re: Resolution No. DM 90-13  
Dated: 7-3-90

ORDER OF PROHIBITION

WHEREAS, William J. Bartolic has executed a Stipulation and Consent to Issuance of Order of Prohibition ("Stipulation"), which is accepted and approved by the Office of Thrift Supervision ("OTS") acting through its District Director for the Des Moines District Office; and

WHEREAS, William J. Bartolic in the Stipulation has consented and agreed to the issuance of this Order of Prohibition ("Order") pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), Pub. L. No. 101-73, 103 Stat. 183, because he desires to cooperate with the OTS and to avoid the time and expense of administrative litigation and he denies that grounds exist for an administrative prohibition proceeding;

NOW THEREFORE, IT IS ORDERED that:

1. Except as provided in paragraph 3 below, William J. Bartolic is prohibited from further participation, in any manner, in the conduct of the affairs of United Federal Savings Bank, Windom, Minnesota ("United"), its holding company(ies), or service corporation(s).

2. Without the prior written approval of the District Director for the Des Moines District Office and, if appropriate, another Federal financial institutions regulatory agency, William J. Bartolic may not hold any office in, or participate in any manner in the conduct of the affairs of any institution(s) or other entities as set forth in Section 8(e)(7)(A) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)(7)(A)). Pursuant to Section 8(e)(6) of the FDIA, as amended by FIRREA (to be codified at 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 depository institution.

3. Nothing in this Order is intended to prevent Director Bartolic from continuing in his present capacities on behalf of Winstar Corporation to direct, prosecute, defend, or otherwise participate in claims or litigation relating to Winstar Corporation or from winding up the business of Winstar Corporation unrelated to United Federal Savings Bank, including, if appropriate, deregistration or decertification as a holding company. Furthermore, nothing in this Order shall

prevent Director Bartolic from acting on behalf of the plaintiffs in the litigation described below, nor Winstar Corporation, United Federal Savings Bank, the United States or any of its agencies from representing their respective interests in the actions entitled Winstar Corp., et al. v. United States, No. 90-8-C (U.S. Claims Court, filed Jan. 2, 1990) and Winstar Corp., et al. v. Director, Office of Thrift Supervision, et al., Civil Action 90-1358 (D.D.C., filed June 8, 1990), provided, however, that regardless of the outcome of the litigation identified above, this Order of Prohibition continues to be in effect. The parties understand and agree that the OTS enters into this Stipulation on its own behalf only, and neither the United States nor any of its agencies, other than the OTS, is a party to this Stipulation or bound by any of its terms.

4. The OTS will not consider the phrase "participating in the conduct of the affairs" of a financial institution, as used in this Order, as precluding Mr. Bartolic from performing real estate services including, but not limited to, brokerage or property management services, for a financial institution solely as an independent contractor so long as such activities are conducted on an arms length, case-by-case basis, provided, however, that such activities may not be performed in a manner that would make Mr. Bartolic an "institution-affiliated party" as that term is defined at 12 U.S.C. § 1813(u), as amended by Section 204(f) of the FIRREA.

