

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
GUNNAR P. NILSSON)
)
Former Officer and Director)
of Lemont Savings Association)
Lemont, Illinois)

Re: Resolution No. CHI-90-24
Dated: December 10, 1990

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Chicago District Office, and GUNNAR P. NILSSON ("NILSSON"), a former officer and director of Lemont Savings Association, Lemont, Illinois, 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 cease and desist proceeding against NILSSON pursuant to Section 8(b) 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(b)). NILSSON desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease-and-desist litigation against NILSSON with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").
2. Jurisdiction. (a) Lemont Savings Association 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) NILSSON, as a former officer and director and currently a controlling stockholder of Lemoñt Holding Company, Inc., 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 an enforcement proceeding against such an institution-affiliated party. Therefore, NILSSON is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against him pursuant to Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)).

3. Consent. NILSSON consents to the issuance by the OTS of the Order. He 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 under Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)). Upon its issuance by the Regional Director for the Chicago 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. NILSSON waives his right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)), 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 and intending to be legally bound hereby, the OTS, by and through its Regional Director for the Chicago District Office, and NILSSON execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

GUNNAR P. NILSSON

By: 15/
Stuart M. Brañman
Regional Director
Chicago District Office

15/
12-7-90
Date

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Former Officer and Director)
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Re: Resolution No. CHI-90-24

Dated: December 10, 1990

ORDER TO CEASE AND DESIST

WHEREAS, GUNNAR P. NILSSON ("NILSSON") has executed a Stipulation and Consent to Issuance of Order to Cease and Desist, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Chicago District Office ("Regional Director"); and

WHEREAS, NILSSON, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) 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(b)).

NOW, THEREFORE, IT IS ORDERED THAT NILSSON shall cease and desist from any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting any violation of:

- a. Section 563.170(c)(2) of the Rules and Regulations of the Office of Thrift Supervision ("OTS Regulations"), 12 C.F.R. § 563.170(c)(2) (1990), pertaining to required documentation for loans not secured by real estate;
- b. Section 563.174(f)(1) of the OTS Regulations, 12 C.F.R. § 563.174(f)(1) (1990), pertaining to the maintenance of a contract register for futures transactions;
- c. Section 23A of the Federal Reserve Act, 12 U.S.C. § 371c, pertaining to unsecured loans granted to affiliates; and

- d. Section 400.440(a)(3)(4) of Title 38, Ill. Adm. Code, Ch. 3, pertaining to the incorporation of narrative corporate objectives and strategies into an institution's business plan.

IT IS HEREBY FURTHER ORDERED THAT:

1. NILSSON shall not cause any insured institution to invest or engage in any transaction that does not require inclusion of the transaction on the balance of the insured institution under then current generally accepted accounting principles, including, without limitation, forward commitments, futures transactions, financial options transactions or interest rate swaps, as set forth in Sections 563.173, 563.174, and 563.175 of the OTS Regulations, respectively, 12 C.F.R. §§ 563.173, 563.174 and 563.175 (1990).
2. NILSSON shall not cause any insured institution to originate or purchase any new commercial, commercial real estate or multi-family loans, except for loans to facilitate the sale of real estate owned. However, loans to facilitate the sale or repayment of existing loans at the insured institution may be made with the prior written approval of the OTS Manager.
3. NILSSON shall not cause any insured institution to purchase any consumer loans.
4. NILSSON shall not cause any insured institution to invest in any new equity risk investments.
5. NILSSON shall not cause any insured institution to purchase or trade any securities, as the term "securities" is defined in §3(a)(10) of the Securities and Exchange Act of 1934, 15 U.S.C. §78c(a)(10), without the prior written approval of the OTS Manager.
6. NILSSON shall not cause Lemont Savings Association to engage in any activities that are inconsistent with the institution's OTS approved capital plan, as it may be amended from time to time.
7. NILSSON shall not cause Lemont Savings Association to engage in any activities that are inconsistent with the OTS approved business plan.
8. Any violations of paragraphs 1 through 7 of this Order, or any failure to comply with the provisions of the OTS approved business plan, shall be cause for termination of NILSSON as an officer and director at Lemont Savings Association.

9. NILSSON's position as an officer at Lemont Savings Association shall not extend beyond March 31, 1992, unless prior written approval is received from the Regional Director.
10. Any report or other document required by this Order to be submitted to the OTS shall be filed with the Office of Thrift Supervision, 111 East Wacker Drive, Suite 800, Chicago, IL 60601, Attn: Susan T. Mooney. All reports and other documents shall be deemed filed when received by the OTS.
11. It is expressly understood and acknowledged by NILSSON that if, at any time, the OTS deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America to undertake any action affecting NILSSON, nothing in this Order shall in any way inhibit, estop, bar, or otherwise prevent the OTS from doing so.
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 Chapter V of Title 12 of the Code of Federal Regulations, or as such definition is amended after the execution of this Order. Any such technical words or terms used in this Order and undefined in the Code of Federal Regulations shall have meanings that accord with the best custom and usage in the thrift industry. For purposes of this Order, except as otherwise indicated, the following definitions shall apply:
 - a. "invest in" means to make, originate, purchase, acquire, guarantee, finance, refinance, modify, extend, renew, or commit to do any of these;
 - b. "real estate owned" means the net book value of real estate acquired by foreclosure or deed in lieu thereof, or owned in any manner, inclusive of expenditures incurred in connection with holding or improving such real estate and following adjustment for any loss reserves or allowances;
 - c. "multi-family" means residential real estate with five (5) or more residential units;
 - d. "commercial real estate" means non-residential real estate;
 - e. "transactions" means the act of buying, selling, lending, borrowing, leasing, transferring, trading, or committing to do any of these; and
 - f. "insured institution" means any 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)).

13. The provisions of this Order are effective upon issuance of this Order by the OTS, through its authorized representative whose signature appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated by the OTS.

IT IS SO ORDERED, this 10th day of December 1990.

THE OFFICE OF THRIFT SUPERVISION

By: 151

Stuart M. Brafman
Regional Director
Chicago District Office