

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

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In the Matter of)	Order No.: CN 09-09
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)	
SECOND FEDERAL SAVINGS and)	Effective Date: March 23, 2009
LOAN ASSOCIATION OF CHICAGO)	
)	
Chicago, Illinois)	
OTS Docket No. 00679)	
_____)	

ORDER TO CEASE AND DESIST

WHEREAS, SECOND FEDERAL SAVINGS AND LOAN ASSOCIATION OF CHICAGO, Chicago, Illinois, OTS Docket No. 00679 (Association), by and through its Board of Directors (Board) has executed a Stipulation and Consent to Issuance of an Order to Cease and Desist (Stipulation); and

WHEREAS, the Association, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 USC § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Central Region (Regional Director), is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

1. The Association and its institution-affiliated parties, as that term is defined in

12 USC § 1813(u), and its successors and assigns shall cease and desist from all unsafe or unsound practices that precipitate high levels of classified assets, diminished capital, poor earnings, inadequate liquidity, and inadequate information technology policies and procedures.

Liquidity

2. (a) Within forty-five (45) days, the Board shall review and approve a monthly liquidity status report (Liquidity Status Report) prepared by Association management that identifies all sources of liquid assets to meet the Association's anticipated and extraordinary liquidity needs on a rolling basis for the next one-month, three-month, and 12-month periods. The Liquidity Status Report shall include a detailed listing of all Association borrowings with maturity dates and available borrowing capacity as well as strategies for repayment of each borrowing at maturity. The Liquidity Status Report shall consider any seasonal credit needs and current economic trends in the pricing and availability of possible funding sources. Any action taken by the Association as a result of the Board's review of Liquidity Status Reports shall be recorded in the minutes of the meeting of the Board.
- (b) On a monthly basis thereafter, within thirty (30) days following the end of each month, the Board shall review and approve the Liquidity Status Report. The Association shall send a copy of each Liquidity Status Report to the Regional Director within five (5) days after Board approval.
3. (a) Within forty-five (45) days, the Board shall review and approve revisions to the Association's Funds Management Policy, which is included in the Association's Liquidity Plan, in order to increase adequate provisions to meet the Association's liquidity needs while reducing reliance on wholesale, short-term funding sources. At a

minimum, the revised Funds Management Policy shall address the comments contained in the OTS Report of Examination dated August 11, 2008 (ROE) and:

- i. Require periodic review of the amount and cost of types of deposits by the Association, including: comparison of the amount of each type of deposit to total deposits; consideration of the maturity distribution of time deposits; comparison of rates being paid on each type of deposit in the Association's market area to rates being paid by competitors; and consideration of limits on large time deposits, and public funds;
- ii. Establish limits on concentrations in or excessive reliance upon any single source or type of funding, such as brokered funds, borrowing sources, or other rate sensitive or credit sensitive funding sources;
- iii. Address the proper use of borrowings (such as seasonal credit needs, match funding of loans, etc.); the manner in which the borrowing strategy will be approved and documented; the means by which the Association will avoid concentration of funding sources; and the current pricing and collateral requirements for each identified funding channel;
- iv. Establish limits governing the maximum permissible periodic and cumulative gap between maturing assets and liabilities for various time frames;
- v. Revise the net interest income (NII) and gap model policy limits to reduce the allowable exposure established under applicable Association policy;
- vi. Require Association management to obtain or derive reasonable assumptions that are relevant for the Association's specific portfolios of assets and liabilities to support the estimated cash flows in the maturity gap reports,

including documentation of such assumptions; and

- vii. Require Association management to make written monthly reports to the Board detailing the Association's liquidity position, including the Association's net non-core funding ratio and liquidity ratio, and requiring any action taken by the Board as a result of the reports to be recorded in the minutes of the Board meeting.
- (b) Within five (5) days after Board approval of the revisions to the Funds Management Policy, the Board shall forward a copy of the revised Funds Management Policy to the Regional Director for review and approval. The Board shall revise the Funds Management Policy within thirty (30) days of receiving the Regional Director's written comments, if any, and implement the Funds Management Policy immediately thereafter. The Board shall send a copy of the final Funds Management Policy approved by the Board to the Regional Director within five (5) days after Board approval.
- (c) On a quarterly basis, beginning with the first quarter following the receipt of the Regional Director's approval of the Funds Management Policy, the Board shall compare projected limits and targets contained within the Funds Management Policy to actual results (Quarterly Funds Management Variance Report). As part of the variance analysis required by this subparagraph, the Board shall determine if there are any material deviations between the projections contained in the Funds Management Policy and the actual results and prepare a written report describing any material deviations between the projections contained in the Funds Management Policy and the actual results and a specific description of the corrective actions or measures that have been implemented, proposed or are under consideration to correct any material deviation. A deviation shall be considered material under this Paragraph of the Order when the Association: (i) engages in any activity that is not contained in or inconsistent with the Funds Management Policy; or (ii) exceeds the level of any activity contemplated in the Funds

Management Policy or fails to meet target amounts established in the Funds Management Policy by more than 10%, shall be deemed to be a material deviation.

(d) The Board shall review the Quarterly Funds Management Variance Report each quarter and conduct a thorough and diligent review and assessment of management's implementation of and the Association's compliance with the approved Funds Management Policy. The Board's review of the variance report and assessment of management and the Association's compliance shall be fully documented in the appropriate Board meeting minutes.

(e) Within forty-five (45) days after the end of each quarter, the Board shall provide the Regional Director with a copy of the Quarterly Funds Management Variance Report required by this paragraph.

4. (a) Within forty-five (45) days, the Board shall adopt a Liquidity Contingency Plan, as part of the Association's Liquidity Plan, that identifies anticipated sources of funds that would allow the Association to withstand extraordinary demand against its funding base, priority for their implementation, and annual testing of each identified source of contingency funding, where appropriate. The Liquidity Contingency Plan shall include, at a minimum, the following requirements:

- i. Establishment of secured lines of credit at correspondent banks;
- ii. Retention of assets that can be liquidated within one day; and
- iii. Periodic liquidity stress testing to simulate various market conditions.

(b) Within five (5) days after Board approval of a revised Liquidity Contingency Plan, the Board shall forward a copy of the revised Liquidity Contingency Plan to the Regional Director for review and approval. The Board shall revise the Liquidity Contingency Plan within thirty (30) days of receiving the Regional Director's written comments, if any, and implement the Plan immediately thereafter. The Board shall send a copy of the final

Liquidity Contingency Plan approved by the Board to the Regional Director within five (5) days after Board approval.

Senior Executive Officers

5. (a) Effective immediately, the Board shall require that the Association have and maintain qualified Senior Executive Officers as that term is defined in 12 CFR §563.555. A qualified Senior Executive Officer shall have qualifications and experience commensurate with his or her duties and responsibilities at the Association, including, but not limited to, the ability to:
- i. Comply with the requirements of this Order in a timely and effective manner;
 - ii. Consistently operate the Association in a safe and sound manner;
 - iii. Routinely comply with applicable laws, rules, and regulations;
 - iv. Implement and adhere to a sound business plan that restores all aspects of the Association to a safe and sound condition, including improvements in asset quality, earnings, liquidity, funds management, and information technology.
- (b) The Association shall comply with the prior notification requirements for changes in directors and Senior Executive Officers set forth in 12 CFR Part 563, Subpart H. Specifically, the Association must notify the OTS at least thirty (30) days before adding or replacing any member of its Board, employing any person as a Senior Executive Officer, or changing the responsibilities of any Senior Executive Officer so that the person would assume a different senior executive officer position.
- (c) The Association shall not enter into, renew, extend or revise any contractual arrangement related to compensation or benefits with any director or Senior Executive Officer of the Association, unless it: (a) provides a minimum of thirty (30) days advance notice of the

proposed transaction to the Regional Director; and (b) receives a notice of written non-objection from the OTS. The Association's notice to the Regional Director shall include a copy of the proposed employment contract or compensation arrangement, or a detailed, written description of the compensation arrangement to be offered to such officer or director, including all benefits and perquisites. The Board shall ensure that any contract, agreement, or arrangement submitted to the OTS fully complies with the requirements of 12 CFR Part 359, 12 CFR §§ 563.39 and 563.161(b), and 12 CFR Part 570-Appendix A.

Asset Quality

6. (a) Within sixty (60) days, the Board shall review and approve a written plan for the reduction and collection of delinquent loans (Delinquency Remediation Plan). The Delinquency Remediation Plan shall include, at a minimum, provisions that:
- i. Establish specific collection procedures to be instituted at various stages of a borrower's delinquency;
 - ii. Establish periodic targets for the reduction of delinquent loans; and
 - iii. Provide for the submission of monthly written progress reports to the Board for review and notation in the minutes of the Board meetings.
- (b) Within five (5) days after Board approval of the Delinquency Remediation Plan, the Board shall forward a copy of the Delinquency Remediation Plan to the Regional Director for review and approval. The Board shall revise the Plan within thirty (30) days of receiving the Regional Director's written comments, if any, and implement the Delinquency Remediation Plan immediately thereafter. The Board shall send a copy of

the final Delinquency Remediation Plan approved by the Board to the Regional Director within five (5) days after Board approval.

Capital Plan

7. (a) Within sixty (60) days after the Effective Date, the Association shall develop and implement a Capital Plan to address the adequacy of the Association's Tier 1 (Core) Capital Ratio and Total Risk-Based Capital Ratio that is acceptable to the Regional Director. The Capital Plan shall include, at a minimum:
 - i. Specific benchmark capital levels commensurate with the current risk profile of the Association; and
 - ii. Actions the Association shall take if its capital levels approach the benchmark levels established by the Board.
- (b) Within five (5) days after Board approval of the Capital Plan, the Board shall forward a copy of the Capital Plan to the Regional Director for review and approval. The Board shall revise the Capital Plan within thirty (30) days after receiving the Regional Director's written comments, if any, and implement the Capital Plan immediately thereafter. The Board shall send a copy of the final Capital Plan approved by the Board.
8. As of the Effective Date, the Board shall: (a) review the Association's capital levels at each regular monthly Board meeting; and (b) ensure that the Association continually assesses the sufficiency of the Association's capital levels relative to its risk profile, including but not limited to, such risks as: classified asset levels; allowance for loan and lease losses (ALLL); core earnings; and dollar volume and portfolio percentage of loans as described on pages 13 through 25 of the ROE. The trends in such risks shall also be reviewed and monitored by the Board. The Board's review of the Association's capital

level relative to the Association's risk profile shall be fully documented in the Board meeting minutes.

Business Plan

9. (a) Within seventy-five (75) days, the Board shall revise the Association's current business plan (Business Plan) to include the requirements contained within this Order, to address the comments contained within the ROE, and include, at a minimum, the following:
- i. Defined strategies for capital preservation and enhancement commensurate with the risk profile of the Association and the Capital Plan requirement of paragraph 7 above;
 - ii. Defined portfolio limits on all loans categories expressed as a percentage of Core Capital plus ALLL;
 - iii. Detailed strategies designed to achieve and maintain profitability, including but not limited to strategies for expense reduction and aligning staffing with profitability goals;
 - iv. Detailed strategies to enhance both primary and secondary sources of liquidity consistent with OTS Thrift Bulletin 77;
 - v. Detailed strategies to stress-test and adjust earnings forecasts based on continuing operating results, economic conditions and credit quality of the loan portfolio; and
 - vi. Detailed pro forma balance sheets and income statements for a rolling three-year period on a quarterly basis beginning with January 1, 2009.
- (b) Within five (5) days after Board approval of the revisions to the Association's Business Plan, the Board shall forward a copy of the revised Business Plan to the Regional

Director for review and approval. The Board shall revise the Business Plan within thirty (30) days of receiving the Regional Director's written comments, if any, and implement the Business Plan immediately thereafter. The Board shall send a copy of the final Business Plan approved by the Board to the Regional Director within five (5) days after Board approval.

- (c) On a quarterly basis, beginning with the first quarter following the receipt of the Regional Director's approval of the Business Plan, the Board shall compare projected operating results contained within the Business Plan to actual results (Quarterly Business Plan Variance Report). As part of the variance analysis required pursuant to this subparagraph, the Board shall determine if there are any material deviations between the projections contained in the Business Plan and the actual results and prepare a written report describing any material deviations between the projections contained in the Business Plan and the actual results.
- (d) Within forty-five (45) days after the end of each quarter, the Board shall provide the Regional Director with a copy of the Quarterly Business Plan Variance Report required by this paragraph.

Information Security Risk Assessment

- 10. (a) Within fifteen (15) days of receipt of written non-objection from the Regional Director pursuant to paragraph 17 below, the Board shall retain an independent, qualified information security consultant to complete an enterprise-wide risk assessment of the Association's information security program to safeguard customer information in compliance with the standards set forth under Part 570, Appendix B, including Supplement A thereto, of the OTS regulations at 12 CFR Part 570 (Information Security

Risk Assessment). The Information Security Risk Assessment shall, at a minimum, address the following:

- i. Identify reasonably foreseeable internal and external threats that could result in unauthorized disclosure, misuse, alteration, or destruction of customer information or customer information systems;
 - ii. Assess the likelihood and potential damage of the identified threats, taking into consideration the sensitivity of customer information;
 - iii. Assess the sufficiency of policy, procedures, and customer information systems in place to protect the security and confidentiality of customer information; and
 - iv. All comments contained in the OTS Information Technology Report of Examination dated August 18, 2008 (IT ROE).
- (b) At the same time as the completed Information Security Risk Assessment is forwarded to the Board for review, a copy shall be forwarded to the Regional Director. The Association's response to the Information Security Risk Assessment and any changes implemented as a result of the Information Security Risk Assessment should be reviewed by the Board and documented in the minutes of the Board meeting(s) at which the Information Security Risk Assessment is discussed no later than one hundred twenty (120) days after the Effective Date. A copy of the Board minutes shall be forwarded to the Regional Director within five (5) days of each such Board meeting.

Information Technology Audit

11. Within thirty (30) days of receipt of written non-objection from the Regional Director pursuant to paragraph 17 below, the Audit Committee of the Board shall retain an

independent, qualified information technology consultant to conduct a comprehensive audit of the Association's information system operations (IT Audit). The IT Audit shall be conducted after completion of the Information Security Risk Assessment performed in paragraph 10 above. The scope of the IT Audit should detect technology-related risks, determine whether a proper control environment exists at the Association, consider all comments in the IT ROE, and be based, in part, on the results of the Information Security Risk Assessment. The completed IT Audit shall be forwarded to the Board for review. The Association's response to the IT Audit, and any configuration changes implemented in response to the IT Audit, should be reviewed by the Board and documented in the minutes of the Board meeting(s) at which the IT Audit is discussed no later than one hundred fifty (150) days after the Effective Date. A copy of the Board minutes shall be forwarded to the Regional Director within five (5) days of each such Board meeting.

Business Continuity Plan

12. (a) Within ninety (90) days, the Board shall revise the Association's Business Continuity Plan to provide for the Association's continuing operations during and after emergencies and disasters. The Business Continuity Plan shall consider all comments in the IT ROE and include a provision requiring that the Business Continuity Plan be sufficiently tested no less than every twelve months, in accordance with recommended testing guidelines set forth in OTS CEO Memo 269 transmitting the Federal Financial Institutions Examination Council's "Business Continuity Planning," IT Examination Handbook (March 2008).
- (b) Within five (5) days after Board approval of the revisions to the Business Continuity Plan, the Board shall forward a copy of the revised Business Continuity Plan to the Regional Director for review and approval. The Board shall revise the Plan within thirty

(30) days of receiving the Regional Director's written comments, if any, and implement the Business Continuity Plan immediately thereafter. The Board shall send a copy of the final Business Continuity Plan approved by the Board to the Regional Director within five (5) days after Board approval.

IT User Access Levels

13. Within sixty (60) days, the Board shall review a report prepared by Association management demonstrating that it has evaluated all employee user access levels and determined whether each employee's assigned access level is appropriate based upon the requirements of their assigned job duties, as well as providing for the appropriate segregation of duties. Management review should consider user access rights at the server, network, and work station levels to determine if the control environment is adequate. The Association shall implement procedures to provide for at least an annual review of user access levels to ensure appropriate levels are maintained. The Board's periodic review of such reports shall be documented in the Board minutes.

IT Environmental Controls

14. Within sixty (60) days, the Board shall ensure that all of the Association's information technology (IT) related services have adequate environmental controls pursuant to the OTS CEO Memo 204 transmitting the Federal Financial Institutions Examination Council's "Operations," IT Examination Handbook (July 2004) and the recommendations contained within the IT ROE. On a quarterly basis beginning with the quarter ending March 31, 2009, the Board shall review IT performance monitoring reports, such as hardware and telecommunications capacity utilization and system availability. Any

action taken by the Board related to IT performance shall be documented in the minutes to the Board meeting.

Restriction on Asset Growth

15. Without the prior written approval of the Regional Director and consistent with the requirements and provisions of OTS Regulatory Bulletin 3b, the Association may not increase its total assets during any quarter in excess of an amount equal to net interest credited on deposit liabilities during the quarter.

Golden Parachute Restrictions

16. The Association shall not make any golden parachute payment, as that term is defined in 12 CFR § 359.1(f), or any prohibited indemnification payment, as that term is defined in 12 CFR § 359.1(l), unless, with respect to each such payment, the Association has complied with the requirements of 12 CFR Part 359 and, as to indemnification payments, 12 CFR § 545.121.

Contracts Outside of the Normal Course of Business

17. The Association and its subsidiaries shall not enter into any third-party contracts outside of the normal course of business without prior written non-objection of the OTS. To seek such written non-objection, the Association shall provide thirty (30) days advance written notice to the Regional Director of any such proposed contract. At a minimum, such notice shall set forth the Association's reasons for seeking the contract and shall transmit a copy of the proposed contract to the Regional Director pursuant to OTS Thrift Bulletin 82a and OTS Examination Handbook § 310.

Effective Date, Incorporation of Stipulation

18. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

Duration

19. This Order shall remain in effect until terminated, modified or suspended, by written notice of such action by OTS, acting by and through its authorized representatives.

Time Calculations

20. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.
21. The Regional Director may extend any of the deadlines set forth in the provisions of this Order upon a written request by the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices

22. All submissions, including progress reports, to OTS that are required by or contemplated by this Order shall be submitted within the specified time frames.
23. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

(a) **To OTS:**

Thomas A. Barnes, Regional Director
Office of Thrift Supervision
One South Wacker Drive, Suite 2000
Chicago, Illinois 60606
Facsimile: (312) 917-5002

(b) **To the Association:**

Mark T. Doyle, Chairman of the Board
Second Federal Savings and Loan Association of Chicago
3960 West 26th Street
Chicago, Illinois 60623-3705
Facsimile: (773) 277-3004

No Violations Authorized

24. Nothing in this Order or the Stipulation shall be construed as allowing the Association, its Board, officers or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____ /s/
Thomas A. Barnes
Regional Director, Central Region

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	Order No.: CN 09-09
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)	
SECOND FEDERAL SAVINGS AND)	
LOAN ASSOCIATION OF CHICAGO)	Effective Date: March 23, 2009
)	
Chicago, Illinois)	
OTS Docket No. 00679)	
_____)	

STIPULATION AND CONSENT TO ISSUANCE OF ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Central Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed **SECOND FEDERAL SAVINGS AND LOAN ASSOCIATION OF CHICAGO**, Chicago, Illinois, OTS Docket No. 00679 (Association) that OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 USC § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

WHEREAS, the Association desires to cooperate with OTS to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to Issuance of Order to Cease and Desist (Stipulation) and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraph 1 below

concerning Jurisdiction, hereby stipulates and agrees to the following terms:

1. Jurisdiction

- a. The Association is a “savings association” within the meaning of 12 USC § 1813(b) and 12 USC § 1462(4). Accordingly, the Association is “an insured depository institution” as that term is defined in 12 USC § 1813(c); and
- b. Pursuant to 12 USC § 1813(q), the Director of OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association is subject to the authority of OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 USC § 1818(b).

2. OTS Findings of Fact

Based upon the August 11, 2008 OTS comprehensive examination of the Association and August 18, 2008 OTS information technology examination, OTS finds that the Association has engaged in unsafe and unsound banking practices, including operating with a deteriorating level of adversely classified assets, poor earnings, inadequate liquidity, and inadequate information technology policies and procedures.

3. Consent

The Association consents to the issuance by OTS of the accompanying Order to Cease and Desist (Order). The Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

4. Finality

The Order is issued by OTS under 12 USC § 1818(b) and upon the Effective Date it shall be a final order, effective and fully enforceable by OTS under the provisions of

12 USC § 1818(i).

5. Waivers

The Association waives the following:

- a. The right to be served with a written notice of OTS's charges against it as provided by 12 USC § 1818(b) and 12 CFR Part 509;
- b. The right to an administrative hearing of OTS's charges as provided by 12 USC § 1818(b) and 12 CFR Part 509;
- c. The right to seek judicial review of the Order, including, without limitation, any such right provided by 12 USC § 1818(h), or otherwise to challenge the validity of the Order; and
- d. Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes or otherwise.

6. OTS Authority Not Affected

Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting the Association if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

7. Other Governmental Actions Not Affected

The Association acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 6 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity

other than OTS.

8. Miscellaneous

- a. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order;
- b. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise;
- c. All references to OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns;
- d. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order;
- e. The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters; and
- f. The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by OTS, acting through its Regional Director or other authorized representative.

9. Signature of Directors/Board Resolution

Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance of the Order and the execution of the Stipulation.

WHEREFORE, the Association, by its directors, executes this Stipulation.

**SECOND FEDERAL SAVINGS AND
LOAN ASSOCIATION OF CHICAGO
Chicago, Illinois**

By: _____ /s/
Mark T. Doyle
Chairman

_____/s/
W. Steven Gross, Director

_____/s/
Constance H. Lara, Director

_____/s/
Nadine S. Simko, Director

_____/s/
William W. Thorsness, Director

_____/s/
Dr. Frank Yanez, Director

Accepted by:

OFFICE OF THRIFT SUPERVISION

By: _____ /s/
Thomas A. Barnes
Regional Director, Central Region

Date: See Effective Date on page 1