

UNITED STATES OF AMERICA  
BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, D.C.

_____ )	
In the Matter of )	Docket Nos. 99-004-B-I
)	99-004-E-I
CRAIG J. FAHRNER )	
)	Order of Prohibition and Order to
A Former Institution-Affiliated )	Cease and Desist Issued Upon
Party of the )	Consent Pursuant to the Federal
)	Deposit Insurance Act, as Amended
Hinsbrook Bank and Trust )	
Willowbrook, Illinois )	
_____ )	

WHEREAS, pursuant to sections 8(b), (e) and (i) (3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. 1818(b), (e) and (i) (3)), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issues this combined Order of Prohibition and Order to Cease and Desist (the “Order”) against Craig J. Fahrner (“Fahrner”), a former employee and institution-affiliated party, as defined in section 3 (u) of the FDI Act (12 U.S.C. 1813 (u)), of the Hinsbrook Bank and Trust, Willowbrook, Illinois (the “Bank”), a state member bank, due to Fahrner’s alleged embezzlement of bank funds, while he was employed by the Bank: and

WHEREAS, by affixing his signature hereunder, Fahrner has consented to the issuance of this Order by the Board of Governors and consented to comply with each and every provision of this Order, and waived any and all rights he might otherwise have

pursuant to 12 U.S.C. 1818 and 12 CFR Part 263, or otherwise (a) to the issuance of a notice of intent to prohibit or a notice of charges on any matter set forth in this Order; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any manner the basis, issuance, validity, terms, effectiveness or enforceability of this Order or any provision hereof.

NOW, THEREFORE, prior to the taking of any testimony or adjudication of or finding on any issue of fact or law implied or set forth herein, and without this Order constituting an admission of any allegation made or implied by the Board of Governors in connection herewith, and solely for the purpose of settlement of this matter without protracted or extended proceedings:

IT IS HEREBY ORDERED, pursuant to sections 8(b), (e), (i) (3), and (j) of the FDI Act (12 U.S.C. 1818(b), (e), (i) (3), and (j)), that:

1. Fahrner, without the prior written approval of the Board of Governors, and, where necessary pursuant to section 8(e)(7)(B) of the FDI Act (12 U.S.C. 1818(e)(7)(B)), another federal financial institution regulatory agency, is hereby and henceforth prohibited:

(a) From participating in any manner in the conduct of the affairs of any institution or agency specified in section 8(e)(7)(A) of the FDI Act (12 U.S.C.

1818(e)(7)(A)), including, but not limited to, any depository institution or any depository institution holding company;

(b) from soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in section 8(e)(7)(A) of the FDI Act;

(c) from violating any voting agreement previously approved by any federal banking agency; or

(d) from voting for a director, or serving or acting as an institution-affiliated party, as defined in section 3(u) of the FDI Act (12 U.S.C. 1813(u)), such as an officer, director, or employee in any institution described in section 8(e)(7)(A) of the FDI Act.

2. Notwithstanding the provisions of paragraph 1(b) hereof, the Board of Governors hereby grants its approval, pursuant to the provisions of section 8(e)(6) and (j) of the Act (12 U.S.C. 1818(e)(6) and (j)), of the transfer or attempted transfer by Fahrner of all or part of the voting rights of his shares of the Bank to any entity or person, including a trustee, provided that such transfer or attempted transfer is made in compliance with all applicable laws and regulations, including, where appropriate the Bank Holding Company Act of 1956, as amended, or the Change in Bank Control Act of 1978, as amended.

3. Within 120 days of this Order, Fahrner shall make restitution to the Bank in the sum of \$32,973, representing the losses incurred by the Bank as a result of Fahrner's alleged embezzlement of bank funds. If prior to the expiration of the 120-day period, Fahrner has been ordered by a court of competent jurisdiction to make restitution, in any amount, to the Bank, as the result of criminal charges related to the activities giving rise to the issuance of this Order, Fahrner shall be deemed to have complied with the restitution provision of this Order.

4. Any violation of this Order shall separately subject Fahrner to appropriate criminal or civil penalties, or both, under section 8 of the FDI Act (12 U.S.C. 1818).

5. All communications regarding this Order shall be addressed to:

(a) Mr. Robert A. Bechaz  
Regional Director – Illinois  
Federal Reserve Bank of Chicago  
230 South La Salle Street  
Chicago, IL 60604

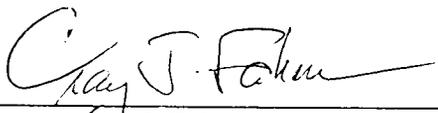
(b) Joshua T. Buchman, Esq.  
McDermott Will & Emory  
227 W. Monroe St.  
Chicago, IL 60606

6. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors or any federal or state agency or department from taking any other action affecting Fahrner; provided, however, the Board of Governors will take no other action against Fahrner that would arise out of facts and circumstances concerning Fahrner's alleged embezzlement of Bank funds.

7. This Order, and each and every provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated or suspended in writing by the Board of Governors.

By order of the Board of Governors effective this 5<sup>th</sup> day of August, 1999.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

  
\_\_\_\_\_  
Craig J. Fahrner

By:   
\_\_\_\_\_  
Jennifer J. Johnson  
Secretary of the Board