

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2002-05-14** | Period of Report: **2002-05-14**
SEC Accession No. **0000913849-02-000134**

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FILER

FIRST OAK BROOK BANCSHARES INC

CIK: **717837** | IRS No.: **363220778** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-14468** | Film No.: **02646899**
SIC: **6022** State commercial banks

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): MAY 14, 2002

FIRST OAK BROOK BANCSHARES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation)	0-14468 (Commission file number)	36-3220778 (I.R.S. employer identification no.)
1400 SIXTEENTH STREET OAK BROOK, ILLINOIS (Address of principal executive offices)		60523 (Zip Code)

Registrant's telephone number, including area code: (630) 571-1050

NOT APPLICABLE
(Former name or former address, if changed since last year)

ITEM 5. OTHER EVENTS.

On May 14, 2002, First Oak Brook Bancshares, Inc. ("Company") announced that it expects to incur a one-time after-tax charge of up to \$6.8 million, or \$1.05 per diluted common share, to its second quarter earnings. The charge will be recorded as an additional provision to the allowance for loan losses. The charge is attributable to the recent discovery by its bank subsidiary, Oak Brook Bank, of apparent fraud on the part of a borrower involving a \$17.2 million construction loan for a Chicago condominium project. The press release is filed as an exhibit to this report and is incorporated herein by reference.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities

Litigation Reform Act of 1995, and this statement is included for purposes of involving these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, can generally be identified by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," or similar expressions. The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain and actual results may differ materially from the results projected in forward-looking statements due to various factors. These risks and uncertainties include, but are not limited to, fluctuations in market rates of interest and loan and deposit pricing; a deterioration of general economic conditions in the Company's market areas; legislative or regulatory changes; adverse developments in our loan or investment portfolios; the assessment of its provision and reserve for loan losses; developments pertaining to the loss situation discussed above; significant increases in competition or changes in depositor preferences or loan demand, difficulties in identifying attractive branch sites or other expansion opportunities, or unanticipated delays in construction buildout; difficulties in attracting and retaining qualified personnel; and possible dilutive effect of potential acquisitions or expansion. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. The Company undertakes no obligation to update publicly any of these statements in light of future events except as may be required in subsequent periodic reports filed with the Securities and Exchange Commission.

ITEM 7(c). EXHIBITS.

99.1 Press Release dated May 14, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST OAK BROOK BANCSHARES, INC.

Date: May 14, 2002

By: /s/ Rosemarie Bouman

Rosemarie Bouman
Vice President, Chief Financial Officer
and Treasurer

FIRST OAK BROOK
BANCSHARES

[NEWS RELEASE/NEWS RELEASE/NEWS RELEASE/NEWS RELEASE/NEWS RELEASE]

DATE OF RELEASE: May 14, 2002

FOR FURTHER INFORMATION, CONTACT: William E. Navolio
Vice President
and General Counsel
(630) 571-1050 ext. 252FIRST OAK BROOK BANCSHARES EXPECTS NONRECURRING CHARGE
AGAINST SECOND QUARTER EARNINGS

Oak Brook, IL --- First Oak Brook Bancshares, Inc. (NASDAQ : FOBB) announced today it expects to incur a nonrecurring after-tax charge of up to \$6.8 million, or \$1.05 per diluted share, to its second quarter earnings. The charge will be recorded as an additional provision to the allowance for loan losses. The charge is due to the recent discovery by its bank subsidiary, Oak Brook Bank, of apparent fraud on the part of a borrower involving a \$17.2 million construction loan for a Chicago condominium project. The Bank has placed the loan on non-accrual status and estimates foregone contractual interest after-tax will amount to approximately \$400,000, or \$0.06 per diluted share, for the remainder of 2002.

The Bank's investigation relating to the loan, which has matured, is on-going. It appears the developers submitted sworn payout orders with inflated expenses and induced the Bank to approve these payouts by overstating the projects' sell-out value.

Upon detecting these irregularities, the Bank engaged a team of specialists from KPMG LLP to review each of the Bank's construction loans. This review did not identify any losses from other borrowers. Accordingly, management has concluded that this irregularity is isolated to this borrower.

The Bank is evaluating alternatives relating to the unfinished project; will commence appropriate collection activities against the owner, developers and guarantors; and will vigorously pursue all avenues of recovery. This includes reimbursement under the Bank's insurance bond. It is too early to evaluate recovery prospects, and no assurances can be given about the amount or timing of any recovery or ultimate repayment of the loan balance.

"We feel victimized by this scheme. However, we are comfortable this is an isolated incident and is unrelated to the quality of our loan portfolio as a

whole. The Company and the Bank remain well-capitalized, our fundamental businesses are

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doing well, and we expect to remain profitable for the first half and for the year as a whole," said Richard M. Rieser, Jr., Company president.

Oak Brook Bank is a wholly owned subsidiary of First Oak Brook Bancshares, Inc., a bank holding company with \$1.4 billion in total assets. Oak Brook Bank serves Chicagoland from 14 offices located primarily in the western suburbs.

The Company's common stock trades on The NASDAQ Stock Market(R) under the ticker symbol FOBB.

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