

force or effect whatsoever (except as provided in paragraphs 2.4(D) and 2.8(D) below), it shall not be referred to or utilized for any purpose whatsoever, and the negotiation, terms and entry of the Settlement Agreement shall remain subject to the provisions of Federal Rule of Evidence 408 and any applicable state law(s).

Defendant denies all of Plaintiff's claims, allegations and contentions as to liability, damages, penalties, interest, fees, restitution and all other forms of relief, and the class action allegations asserted in the Lawsuit. Defendant has concluded that further conduct of the Lawsuit may be protracted and expensive, and that it is desirable that the Lawsuit be fully and finally resolved in the manner and upon the terms and conditions set forth in this Settlement Agreement.

NOW, THEREFORE, IT IS HEREBY FURTHER STIPULATED AND AGREED by and between the Class Representative (for himself and the Class Members) and Defendant, with the assistance of their respective counsel, that, as among the Settling Parties, including all Class Members, the Lawsuit and the Released Claims shall be finally and fully compromised, settled and released, and the Lawsuit shall be dismissed with prejudice as to all Settling Parties, upon and subject to the terms and conditions set forth herein.

RECITALS

WHEREAS, the Lawsuit was commenced by Plaintiff, individually and on behalf of the class of persons defined in the Lawsuit, and is currently pending and unresolved between the Parties;

WHEREAS, in the Lawsuit, Plaintiff alleges that Defendant violated the Electronic Funds Transfer Act, 15 U.S.C. § 1693 *et seq.* ("EFTA"), by failing to provide adequate notice of automated teller machine ("ATM") fees;

WHEREAS, in the Lawsuit, Plaintiff seeks actual and statutory damages, attorneys' fees and costs;

WHEREAS, Defendant denies Plaintiff's claims, denies any liability to Plaintiff or the proposed class, and denies any wrongdoing of any kind;

WHEREAS, Plaintiff and Defendant agree that it is desirable that the Lawsuit and the claims alleged therein be settled upon the terms and conditions set forth herein to avoid further expense and uncertain, burdensome and potentially protracted litigation, and to resolve all claims that have been or could have been asserted by Plaintiff and the Class Members;

WHEREAS, the Settling Parties have engaged in extensive arms-length settlement negotiations, with the assistance of the Court, and Class Counsel represent that they have otherwise conducted a thorough study and investigation of the law and the facts relating to the claims that have been or might have been asserted in the Lawsuit and have concluded, taking into account the benefits that Plaintiff and the Class Members will receive as a result of this Settlement Agreement and the risks and delays of further litigation, that this Settlement Agreement is fair, reasonable and adequate and in the best interests of Plaintiff and the Class Members; and

WHEREAS, in consideration of the foregoing and other good and valuable consideration, it is hereby stipulated and agreed by and between Plaintiff and Defendant that the claims of Plaintiff and the Class Members be and are hereby compromised and settled, subject to the approval of the Court, upon the terms and conditions set forth below.

DEFINITIONS

As used in all parts of this Settlement Agreement, the following terms have the meanings specified below:

1.1 “ATMs at Issue” shall mean the following automated teller machines operated by Defendant:

Branch	Address	Type	ATM No.
Morton Grove	6111 W. Dempster St., Morton Grove, IL 60053	Drive-up	42710
Lake Zurich	1100 S. Rand Rd., Lake Zurich, IL 60047	Drive-up	BIP0316

1.2 “Claim Form” means the form attached hereto as Exhibit A.

1.3 “Class Counsel” means Lance A. Raphael, Stacy M. Bardo and Allison A. Krumhorn of The Consumer Advocacy Center, P.C.

1.4 “Class Member” means a person who is a member of the Settlement Class.

1.5 “Class Notice” means the notice to be approved by the Court as set forth in paragraph 2.4 below.

1.6 “Class Period” means July 15, 2007 through May 17, 2008.

1.7 “Court” means the United States District Court for the Northern District of Illinois, Eastern Division.

1.8 “Effective Date” means the date on which the Final Approval Order becomes Final.

1.9 “Fairness Hearing” means a hearing set by the Court for the purpose of: (i) determining the fairness, adequacy and reasonableness of the Settlement Agreement pursuant to class action procedures and requirements; and (ii) entering a Final Approval Order.

1.10 “Final” means the later of: (i) the date a Final Approval Order is entered by the Court if no objection(s) is filed; or (ii) the date of expiration for the time for noticing a valid appeal from the Final Approval Order if an objection(s) is filed and an appeal is not noticed; or (iii) the date of final affirmance or dismissal of the last pending appeal if an appeal is noticed.

1.11 “Final Approval Order” means an order to be entered by the Court entitled “Final Approval Order,” substantially in the form attached hereto as Exhibit F.

1.12 “Inland” means Inland Bank & Trust as successor-by-merger to Cambridge Bank, and all other Inland Bancorp subsidiary banks.

1.13 “Inland Releasees” means Inland (and each of its current and former officers, directors, managers, shareholders, employees, predecessors, successors, assigns, agents and attorneys).

1.14 “Lawsuit” means the lawsuit styled *Eugene Chernyavsky v. Inland Bank & Trust d/b/a Cambridge Bank*, currently pending in the Court as Case No. 08 C 4009.

1.15 “Participating Claimant” means each Class Member who properly and timely submits a Valid Claim Form in response to the Class Notice.

1.16 “Preliminary Approval Date” means the date on which the Court enters a Preliminary Approval Order.

1.17 “Preliminary Approval Order” means an order to be entered by the Court, entitled “Preliminary Approval Order,” substantially in the form attached hereto as Exhibit E.

1.18 “Released Claims” mean, collectively, any and all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, including, without limitation, statutory, constitutional, contractual or common law claims, whether known or unknown, against the Inland Releasees, or any of them, that accrued at any time on or prior to the Preliminary Approval Date for any type of relief, including, without limitation, damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, attorney fees, litigation costs, restitution or equitable relief, based on any and all claims in any way related to Defendant’s alleged failure to provide adequate notice of ATM fees at either of the ATMs at Issue.

1.19 "Settlement Agreement" means this Settlement Agreement and all of its attachments and exhibits, which the Settling Parties understand and agree set forth all material terms and conditions of the settlement between them and which is subject to Court approval.

1.20 "Settlement Class" means the class that the Parties have consented to for purposes of settlement only, as described in paragraph 2.1 below.

1.21 "Settlement Fund" means the fund described in paragraph 2.2 below.

1.22 "Settling Parties" or "Parties" means Plaintiff and Defendant and their respective representatives and attorneys.

1.23 "Valid Claim Form" means a Claim Form that is completed, signed under penalty of perjury, and timely returned to the Class Settlement Administrator, postmarked within forty-five (45) days after the date Notice is first published. Plaintiff and Defendant shall have the right to verify that each Claim Form submitted is valid in that it reflects use of one of the ATMs at Issue during the Class Period and for which usage the Class Member was charged a usage fee by Defendant. Either Party challenging any claim shall apprise the other Party of the challenge, and the Settling Parties, through their respective counsel, shall meet and confer in good faith in an attempt to resolve any challenged claim. If the Settling Parties are unable to resolve such a challenge, the Settling Parties shall submit the challenge to the Court for resolution. The Settling Parties shall each bear their own respective costs associated with any such challenge.

TERMS AND CONDITIONS

2.1 **The Settlement Class.** The Settling Parties stipulate to certification of the following class for settlement purposes only:

All persons who, from July 15, 2007 to May 17, 2008, were charged a transaction fee for the use of either of the following automated teller machines operated by Inland Bank & Trust f/k/a Cambridge Bank:

Branch	Address	Type	ATM No.
Morton Grove	6111 W. Dempster St., Morton Grove, IL 60053	Drive-up	42710
Lake Zurich	1100 S. Rand Rd., Lake Zurich, IL 60047	Drive-up	BIP0316

2.2 **Settlement Fund.** Within 7 days after a Preliminary Approval Order is entered, Defendant shall pay \$100,000.00 to the Settlement Class Administrator (see paragraph 2.8 below), which will be deposited into an escrow account for the benefit of Plaintiff, the Class Members and Class Counsel, which will constitute the Settlement Fund. The Settlement Fund shall be disbursed as follows:

A. **Class Notice.** Costs of notice (see paragraph 2.4 below) shall be paid from the Settlement Fund at the time such expenses are incurred.

B. Remainder of Settlement Fund. After the Effective Date, the amount remaining in the Settlement Fund after costs of notice are deducted shall be disbursed as follows:

1. Payment to Class Representative. Class Representative shall receive \$2,000.00 for his individual claim and as an incentive award for his services as Class Representative. Defendant agrees not to object to the Court awarding this amount to Class Representative.

2. Payment to Class Counsel. Class Counsel shall receive \$30,000.00 (30%) of the Settlement Fund in full satisfaction of all reasonable attorneys' fees and costs. This payment is subject to Court approval and Defendant agrees not to object to the Court awarding this amount to Class Counsel.

3. Class Recovery. The amount remaining in the Settlement Fund after deducting the amount set forth in paragraphs 2.2(A), 2.2(B)(1) and 2.2(B)(2) above shall be divided *pro rata* among Participating Claimants; provided, however, that no Class Member shall receive payment from the Settlement Fund in an amount to exceed \$1,000.00. Each Class Member shall be eligible to receive one *pro rata* payment, regardless of whether that Class Member used either ATM at Issue multiple times or used multiple ATMs at Issue.

4. Cy Pres. Any money remaining in the Settlement Fund, if any, after payments are made pursuant to Sections 2.2(A), 2.2(B)(1), 2.2(B)(2) and 2.2(B)(3) above, shall be paid as a *cy pres* award, 50% to the Emergency Fund, 208 S. LaSalle, Suite 1356, Chicago, IL 60604 (www.emergencyfund.org) and 50% to the Greater Chicago Food Depository.

2.3 Release.

A. Release by Plaintiff and Class. Except for the obligations created by this Settlement Agreement, upon the Effective Date, Plaintiff and each Class Member that has not excluded himself or herself from the Class (for themselves and their respective current and former heirs, executors, administrators, controlled companies, partners, employees, assigns, agents and attorneys) remise, release and forever discharge the Inland Releasees from any and all claims, charges, complaints, demands, judgments, causes of action, rights of contribution and indemnification, attorneys' fees, costs and liabilities of any kind, whether known or unknown that were brought or that could have been brought in the Lawsuit and waive all rights against the Inland Releasees with respect to any and all actions, causes of action, claims, counterclaims, breaches, controversies, demands, damages, expenses, losses, costs, attorneys' fees, court costs, loss of income, loss of value or loss of services of any type whatsoever, known or unknown, past or present, whether under foreign or domestic tort or contract law and/or any other foreign or domestic statute, law, regulation, ordinance, certificate of incorporation or by-law relating in any way to the claims made by Plaintiff in the

Lawsuit or in any way related to Defendant's alleged failure to provide adequate notice of ATM fees at either of the ATMs at Issue.

B. Release by Defendant. Except for the obligations created by this Settlement Agreement, upon the Effective Date, Inland (and each of its current and former officers, directors, managers, shareholders, employees, predecessors, successors, assigns, agents and attorneys) remises, releases and forever discharges Plaintiff (and each of his current and former heirs, executors, administrators, assigns, agents and attorneys) from any and all claims, charges, complaints, demands, judgments, causes of action, rights of contribution and indemnification, attorneys' fees, costs and liabilities of any kind, whether known or unknown, arising from the investigation, filing or prosecution of the Lawsuit.

2.4 **Class Notice.** If, by entering the Preliminary Approval Order, the Court provides authorization to provide the Class Notice to Class Members, the Settling Parties will cause Class Notice to be given as follows:

A. Publication. Notice to the Settlement Class shall be published within 7 days after entry of a Preliminary Approval Order and in the form and substance set forth in Exhibit B hereto, twice in the Pioneer Press (Lake Shore and Central zones) at least one week apart. The publication notice shall be a display ad of at least one-quarter (1/4) page in size.

B. Posted Notice. Notice to the Settlement Class shall be posted, starting no later than 7 days after the date a Preliminary Approval Order is entered and continuing to the last date for Class Members to Opt-Out, on each of the ATMs at Issue in the form and substance set forth in Exhibit C hereto.

C. Website. Notice to the Settlement Class shall be posted, starting no later than 7 days after a Preliminary Approval Order is entered and continuing to the last date for Class Members to Opt-Out, on the internet at www.caclawyers.com in the form and substance set forth in Exhibit D hereto.

E. Costs. Defendant shall pay costs of Posted Notice (see paragraph 2.4(B) above) in addition to the Settlement Fund; the remaining costs of notice set forth in this paragraph 2.4 shall be paid from the Settlement Fund; provided, however, that if this Agreement is terminated pursuant to its terms or if the Court does not approve this Agreement, the costs of notice already incurred shall not be refunded to Defendant.

2.5 **Opt-Out/Exclusion/Right to Object/Participation.**

A. Opt-Out/Exclusion. Any Class Member, except Plaintiff, may seek to be excluded from this Settlement Agreement and from the Settlement Class as detailed in the Class Notice and within the time and in the manner provided by the Court. Any Class Member so excluded shall not be bound by the terms of this Settlement Agreement nor be entitled to any of its benefits.

B. Objection. Any Class Member, except Plaintiff, may object to the terms of this Settlement Agreement in writing, as detailed in the Class Notice and within the time and in the manner provided by Court order. Any Class Member who exercises his or her right to object to this Settlement Agreement will be responsible for his or her own attorneys' fees and costs. Class Counsel and attorneys of record for Defendant must also be served with copies of any objections, postmarked no later than the Opt-Out Deadline. The Class Notice shall advise Class Members of this option. Any objections must be in writing and timely submitted or else they are waived.

C. Participation. Any Class Member may seek to participate in the Lawsuit. Any Class Member who exercises his or her right to participate in the Lawsuit will be responsible for his or her own attorneys' fees and costs.

2.6 Preliminary Approval Order. As soon as practicable after execution of this Settlement Agreement, Plaintiff and Defendant shall jointly request an order from the Court that:

- A. preliminarily approves this Settlement Agreement;
- B. conditionally certifies for purposes of settlement the Settlement Class;
- C. schedules a hearing for final approval of this Settlement Agreement; and
- D. approves the form and manner of Class Notice as set forth in paragraph 2.4 herein and finds that such notice satisfies the requirements of due process pursuant to Federal Rules of Civil Procedure 23, the United States Constitution and any other applicable law and finds that no further notice to the Settlement Class is required.

The Settling Parties agree to request the form of Preliminary Approval Order attached hereto as Exhibit E. The fact that the Court may require changes in the Preliminary Approval Order will not invalidate this Settlement Agreement if the changes do not materially modify this Settlement Agreement.

2.7 Final Approval Order. At the conclusion of, or as soon as practicable after, the close of the Fairness Hearing, Plaintiff and Defendant shall jointly request that the Court enter a Final Approval Order approving the terms of this Settlement Agreement as fair, reasonable and adequate; providing for the implementation of its terms and provisions; finding that the Class Notice given to the Settlement Class satisfies the requirements of due process pursuant to the Federal Rules of Civil Procedure, the United States Constitution and any other applicable law; dismissing the claims of Plaintiff and the Settlement Class with prejudice and without costs; and retaining exclusive jurisdiction to enforce the terms and provisions of this Settlement Agreement. The Settling Parties agree to request jointly the form of Final Approval Order, attached hereto as Exhibit F. The fact that the Court may require changes in the Final Approval Order will not invalidate this Settlement Agreement if the changes do not materially modify this Settlement Agreement.

2.8 Administration of Class Benefits.

A. Class Settlement Administration. Class Counsel shall retain a third-party class settlement administrator ("Class Settlement Administrator") to process Claim Forms and to distribute the Settlement Fund as described in paragraph 2.2 above. The Settlement Fund shall be distributed within 60 days of the Effective Date, subject to any extension allowed by paragraph 2.8(C) below.

B. Eligibility. If the Class Settlement Administrator receives an incomplete or otherwise improperly filled out Claim Form that is otherwise timely submitted, the Class Settlement Administrator shall contact the claimant and seek such information as is needed to correct the deficiency. If the deficiency cannot be corrected by the Class Settlement Administrator, then Class Counsel and Defendant's attorneys shall jointly determine whether the claimant is eligible to receive any of the benefits described in paragraph 2.2, or if they cannot agree upon such a determination in good faith, then the Court shall determine whether the claimant is entitled to the relief requested.

C. Extension for Distribution. If the Class Settlement Administrator, in its sole determination, is required to obtain a W-9 form(s) from a Participating Claimant(s), then the Class Settlement Administrator shall have 30 days from the date of receipt of a completed W-9 form to distribute the portion of the Settlement Fund designated for such Participating Claimant(s).

D. Costs. The Class Settlement Administrator shall be paid from the Settlement Fund; provided, however, that if this Settlement Agreement is terminated pursuant to its terms or if the Court does not approve this Settlement Agreement, the amount already paid to the Settlement Class Administrator shall not be refunded to Defendant.

2.9 **Release of Attorney's Lien.** In consideration of this Settlement Agreement, Class Counsel hereby waives, discharges and forever releases Defendant from any and all claims for attorneys' fees, by lien or otherwise, for legal services rendered by Class Counsel in connection with the Lawsuit; provided, however, that this release is conditioned upon Final Approval of this Settlement Agreement by the Court and full performance by the Defendant of its obligations under this Settlement Agreement.

2.10 **No Admission of Liability.** Whether or not this Settlement Agreement is consummated, this Settlement Agreement and all proceedings had in connection herewith shall in no event be construed as, or be deemed to be, evidence of an admission or concession by Defendant of any liability or wrongdoing whatsoever.

2.11 **Best Efforts.** The Settling Parties and their respective counsel agree to cooperate fully with one another in seeking Court approval of this Settlement Agreement and to use their best efforts to effect the consummation of this Settlement Agreement.

2.12 **Notices.** Notices regarding this Settlement Agreement directed to Plaintiff and/or the Settlement Class shall be sent to:

Lance A. Raphael
Stacy M. Bardo
Allison A. Krumhorn
THE CONSUMER ADVOCACY CENTER, P.C.
180 W. Washington St., Ste. 700
Chicago, IL 60602
Fax: 312.377.9930

Notices to Defendant shall be sent to:

William J. McKenna
Katherine E. Licup
FOLEY & LARDNER LLP
321 N. Clark St., Ste. 2800
Chicago, IL 60654
Fax: 312.832.4700

The persons and addresses designated in this paragraph may be changed with written notice to the other signatories hereto.

2.13 **Other Machines.** Plaintiff and Class Counsel represent that they have no knowledge of EFTA violations at any of Defendant's automated teller machines other than those identified herein.

2.14 **Representation of Counsel.** Class Counsel represents that they do not currently have any additional clients with potential EFTA claims against Defendant and will not actively solicit such clients in the future.

2.15 **Counterparts.** This Settlement Agreement may be signed in counterparts, in which case the various counterparts shall constitute one instrument for all purposes. The signature pages may be collected and annexed to one or more documents to form a complete counterpart. Photocopies, facsimiles or scanned copies of the signature pages of this Settlement Agreement may be treated as originals.

2.16 **Binding Agreement.** Each and every term of this Settlement Agreement shall be binding upon and inure to the benefit of Plaintiff and each Class Member and each of their respective current and former heirs, executors, administrators, assigns, agents and attorneys, all of whom/which persons and entities are intended to be beneficiaries of this Settlement Agreement. Each and every term of this Settlement Agreement shall be binding upon and inure to the benefit of Defendant and each of its current and former officers, directors, managers, shareholders, employees, predecessors, successors, assigns, agents and attorneys. There are otherwise no third-party beneficiaries of this Settlement Agreement.

2.17 **Governing Law.** This Settlement Agreement (and any exhibits hereto) shall be considered to have been negotiated, executed and delivered, and to have been wholly performed, in the State of Illinois, and the rights and obligations of the Settling Parties to this Settlement Agreement shall be construed and enforced in accordance with, and governed by, the internal substantive laws of the State of Illinois without giving effect to Illinois choice of law principles.

2.18 **Retention of Jurisdiction.** The Court shall retain jurisdiction to implement and to enforce the terms of this Settlement Agreement, and all Settling Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in this Settlement Agreement.

2.19 **Interpretation.** The Settling Parties acknowledge that they have had an equal opportunity to participate in the drafting of this Settlement Agreement and that the Settling Parties and their respective counsel reviewed and negotiated the terms and provisions of this Settlement Agreement and have contributed to its revisions. Therefore, in any dispute over the construction or interpretation of this Settlement Agreement, the Settling Parties agree and understand that the Settlement Agreement shall be construed fairly as to all Settling Parties and shall not be construed against any Settling Party on the basis of authorship. The Settling Parties further agree that in this Settlement Agreement the singular shall include the plural and vice versa where the content so requires.

2.20 **Entire Agreement.** This Settlement Agreement constitutes the entire agreement of the Settling Parties hereto as to the matters raised herein. The undersigned acknowledge that there are no communications or oral understandings contrary to, in addition to, or different from the terms of this Settlement Agreement and that all prior agreements or understandings within the scope of the subject matter of this Settlement Agreement are, upon execution of this Settlement Agreement, superseded and merged into this Settlement Agreement and shall have no effect. This Settlement Agreement may not be amended or modified in any respect whatsoever, except by a writing duly executed by the Settling Parties and their respective counsel.

2.21 **Authority.** The persons signing this Settlement Agreement hereby represent and warrant that they have read this Settlement Agreement, that they know and understand its terms, that they have consulted with counsel with respect hereto, that they have signed this Settlement Agreement freely, and that they intend that they and/or or any person or entity on whose behalf they are signing this Settlement Agreement will be fully bound by all the terms and provisions of this Settlement Agreement. Such persons further represent and warrant that they are competent to sign this Settlement Agreement and that, as necessary, all corporate or other legal formalities have been followed such that they have full authority to execute this Settlement Agreement on behalf of the person or entity for whom or for which they are signing this Settlement Agreement in a representative capacity.

2.22 **Headings.** The headings of the several sections and paragraphs hereof are for convenience only and do not define or limit the contents of such sections or paragraphs.

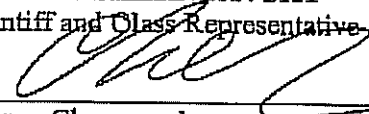
2.23 **Severability.** In case any one or more of the provisions contained in this Settlement Agreement shall be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected and/or impaired thereby.

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IN WITNESS WHEREOF, the Settling Parties hereto, have so agreed on the dates noted below.

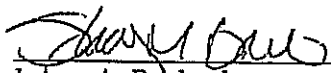
EUGENE CHERNYAVSKY
Plaintiff and Class Representative

By:


Eugene Chernyavsky

03/03/2009
Date

Approved as to form:


Lance A. Raphael
Stacy M. Bardo
Allison A. Krumhorn
The Consumer Advocacy Center, P.C.
180 W. Washington St., Ste. 700
Chicago, Illinois 60602

3/3/2009
Date

Counsel for Plaintiff and the Class Members

INLAND BANK & TRUST D/B/A CAMBRIDGE BANK
Defendant

By:

/ /
Date

Its:

Approved as to form:

William J. McKenna
Katherine E. Licup
Foley & Lardner LLP
321 N. Clark St., Ste. 2800
Chicago, IL 60654

/ /
Date

Counsel for Defendant Inland Bank & Trust, as successor-by-merger to Cambridge Bank

IN WITNESS WHEREOF, the Settling Parties hereto, have so agreed on the dates noted below.

EUGENE CHERNYAVSKY
Plaintiff and Class Representative

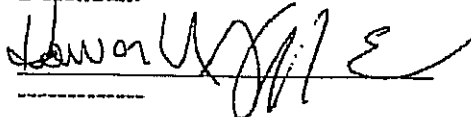
By: _____ / /
Eugene Chernyavsky Date

Approved as to form:

_____/ /
Lance A. Raphael Date
Stacy M. Bardo
Allison A. Krumhorn
The Consumer Advocacy Center, P.C.
180 W. Washington St., Ste. 700
Chicago, Illinois 60602

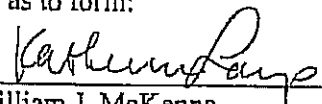
Counsel for Plaintiff and the Class Members

INLAND BANK & TRUST D/B/A CAMBRIDGE BANK
Defendant

By:  / /
Date

Its: _____

Approved as to form:

 / /
William J. McKenna Date
Katherine E. Licup
Foley & Lardner LLP
321 N. Clark St., Ste. 2800
Chicago, IL 60654

Counsel for Defendant Inland Bank & Trust, as successor-by-merger to Cambridge Bank