

# EXHIBIT A

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

PNC BANK, NATIONAL ASSOCIATION, )  
successor to National City Bank, )  
successor to MidAmerica Bank, )  
fsb, )  
Plaintiff, )  
v. )  
HALSTED HOLDING CORP., )  
WLADYSLAW SZCZEPANSKI, and )  
DANIEL SZCZEPANSKI )  
Defendants. )

) Case No. 12 CV 8335  
) Assigned Judge: Sharon Johnson Coleman  
) Magistrate Judge: Sidney I. Schenkier

**AFFIDAVIT OF LON A. KEAST**

I, Lon A. Keast, being first duly sworn, depose and upon my oath state that if called to testify in these proceedings, I would testify as follows:

1. I am a Vice President and duly authorized representative of PNC Bank, National Association, successor to National City Bank, successor to MidAmerica Bank fsb ("PNC Bank" or "Plaintiff"), the plaintiff in the above-captioned cause, and I am duly authorized to make this affidavit on behalf of Plaintiff.

2. Pursuant to my duties as Vice President of PNC Bank, I have personal knowledge of the matters related to the loan transaction between Plaintiff and the defendants, Halsted Holding Corp. ("Halsted"), Wladyslaw Szczepanski, and Daniel Szczepanski, and the documents maintained in the ordinary course of business of Plaintiff relative to the transaction as further set forth in this

Affidavit. I have reviewed the allegations of the Complaint for Confession filed on behalf of Plaintiff in the above-captioned cause and they are true.

3. PNC Bank is a national banking association, the main office of which is located in the State of Pennsylvania and organized under the laws of the State of Delaware. On November 6, 2009, the Comptroller of Currency certified the merger of National City Bank and PNC Bank. Effective February 9, 2008, Mid America Bank, fsb merged with and into National City Bank. A true and correct copy of the Certificate detailing the bank succession is attached to the Complaint as Exhibit A and incorporated herein by reference.

4. A true and correct copy of the Promissory Note dated November 29, 2006 in the original principal amount of \$600,000.00 executed in Cook County, Illinois by Wladyslaw Szczepanski, as the President of Halsted, and Daniel Szczepanski, as the Vice President of Halsted in favor of Plaintiff is attached to the Complaint as Exhibit B and incorporated herein by reference (the "Promissory Note").

5. A true and correct copy of the Change in Terms Agreement dated October 14, 2011, executed in Cook County, Illinois by Wladyslaw Szczepanski, as the President of Halsted, and Daniel Szczepanski, as the Vice President of Halsted amending the Promissory Note, *inter alia*, (i) by extending the maturity date

from October 3, 2011 to January 3, 2012, effective October 4, 2011; and (ii) by modifying the payment schedule is attached to the Complaint as Exhibit C and incorporated herein by reference ("Modification 1").

6. A true and correct copy of the Modification Agreement dated January 11, 2012, executed in Cook County, Illinois by Wladyslaw Szczepanski, as the President of Halsted, and Daniel Szczepanski, as the Vice President of Halsted amending the Promissory Note, *inter alia*, (i) by extending the maturity date from January 3, 2012 to April 4, 2012, effective January 4, 2012; and (ii) by modifying the payment schedule is attached to the Complaint as Exhibit D and incorporated herein by reference ("Modification 2"). (Promissory Note, Modification 1 and Modification 2 are collectively the "Note").

7. A true and correct copy of the Commercial Guaranty executed by Wladyslaw Szczepanski in Cook County, Illinois, on November 29, 2006 in favor of Plaintiff unconditionally guaranteeing all obligations of Halsted due and owing to the Plaintiff, including, without limitation, the obligations arising under the Note and all subsequently incurred debt is attached to the Complaint as Exhibit E and incorporated herein by reference (the "Wladyslaw Szczepanski Guaranty").

8. A true and correct copy of the Commercial Guaranty executed by Daniel Szczepanski in Cook County, Illinois, on

November 29, 2006 in favor of Plaintiff unconditionally guaranteeing all obligations of Halsted due and owing to the Plaintiff, including, without limitation, the obligations arising under the Note and all subsequently incurred debt is attached to the Complaint as Exhibit F and incorporated herein by reference (the "Daniel Szczepanski Guaranty").

9. Halsted is and has been in default under the terms and conditions of the Note as a result of its failure to make payments required by the Note in a timely manner.

10. By virtue of Halsted's breach of its obligations to PNC Bank as stated above, Wladyslaw Szczepanski and Daniel Szczepanski have also breached their obligations to PNC Bank arising under the Guaranties by failing to perform Halsted's obligations under the Note.

11. As a result of the aforesaid breach by Halsted of its obligations to Plaintiff under the Note, as of October 15, 2012, there is due and owing to PNC Bank from Halsted, Wladyslaw Szczepanski and Daniel Szczepanski the following:

Principal:	\$507,096.93
Accrued Interest:	\$ 1,271.62
Late Charges:	<u>\$ 24,516.84</u>

**TOTAL:** **\$532,885.39**

A true and correct copy of Plaintiff's payoff (the "Payoff") for the Note prepared in the regular course of business of Plaintiff is attached hereto and made a part hereof as Exhibit 1.

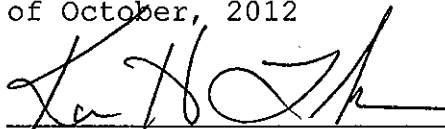
12. In addition to the foregoing, Halsted, Wladyslaw Szczepanski and Daniel Szczepanski agreed to reimburse Plaintiff for attorneys' fees and related costs incurred by Plaintiff in enforcing its rights arising out of the Note and the Guaranties. As of the filing of this Affidavit Plaintiff has incurred attorneys fees in connection with this matter in the amount of \$2,500.00.

13. The matters set forth in this affidavit are true in substance and in fact and are based upon my own personal knowledge thereof and upon my review and reliance upon of the relevant business records of Plaintiff which are attached hereto as exhibits. If called as a witness I could and would testify competently thereto.

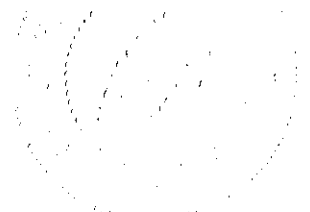
FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
Lon A. Keast

Subscribed and sworn to  
before me this 16<sup>TH</sup> day  
of October, 2012

  
\_\_\_\_\_  
Notary Public

KAREN H. LANAHAH  
Notary Public, State of Michigan  
County of Wayne  
My Commission Expires Aug. 15, 2014  
Acting in the County of MACOMB



# EXHIBIT 1

**Wendy Kaleta Skrobin**

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**From:** lon.keast@pnc.com  
**Sent:** Tuesday, October 16, 2012 7:11 AM  
**To:** Wendy Kaleta Skrobin  
**Subject:** Re: Halsted

**Borrower/Investor** HALSTED HOLDING CORP 600-DIRECT CRDT/ACT

Select	Balance Category	Category Name
<input checked="" type="checkbox"/>	INT	INTEREST OWING
<input checked="" type="checkbox"/>	LTCHG	LATE CHARGE

Accrue To Date:  10/16/2012 Go

**Loan Payoff Information**

Principal Balance	507,096.93
INTEREST OWING	1,271.62
LATE CHARGE	24,516.84
<b>Payoff Amount</b>	<b>532,885.39</b>

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**Lon A. Keast**  
**Vice President**

**31200 Mound Road**  
**Warren, MI. 48192**

**586-825-0890 voice**  
**586-825-0865 fax**  
**Lon.Keast@PNC.com**