

stipends were in direct violation of an express ban in the CDC Articles of Incorporation & By-Laws. R. 244-1, By-Laws § 10 (“Directors of the Corporation shall not receive salaries or compensation for serving as directors”).

After discovery of the payments, the then-Directors and Travaughn Steele agreed to pay back the funds. But further relief is warranted in light of the explicit violation of the interim-relief order and, more importantly, the By-Laws’ ban on receiving compensation as a director. The record evidence supports a finding that Carol Steele, JoAnn Hollie, Lynell Dillon, Lena Wells, and Vincent Davis knew that the By-Laws banned the stipends (the By-Laws have contained that ban since August 24, 2009, R. 244-1, By-Laws title page). The knowing violation of the By-Laws for personal gain warrants a ban on any future role of theirs in an officer or director position of CDC (or any successor corporation under the Consent Decree).

Specifically, it is ordered that Carol Steele, JoAnn Hollie, Lynell Dillon, Lena Wells, and Vincent Davis are prohibited from occupying any corporate officer or director role in CDC or any other LAC operating entity that takes its place pursuant to the Consent Decree, R. 160, and are also prohibited from being involved in any Cabrini-Green Local Advisory Council’s (LAC’s) operating entity’s responsibilities as set out in Section III.A.1 of the Consent Decree.

IT IS SO ORDERED.

ENTERED:

s/Edmond E. Chang
Honorable Edmond E. Chang
United States District Judge

DATE: March 31, 2022