FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of Michael A. Sykes, individually, and as an institution-affiliated party of WHEATLAND BANK, NAPERVILLE, ILLINOIS (Insured State Nonmember Bank)	NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION, NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT, CONCLUSIONS OF LAW, ORDER TO PAY, AND NOTICE OF HEARING FDIC-11-571e FDIC-10-185k

The Federal Deposit Insurance Corporation ("FDIC") determined that Michael A. Sykes (“Respondent”), individually and as an institution-affiliated party of Wheatland Bank, Naperville, Illinois (“Bank”), has directly or indirectly violated law or regulation, participated or engaged in unsafe or unsound banking practices and breaches of his fiduciary duties; that as a result of the violations, unsafe or unsound practices and breaches of fiduciary duties, Respondent has received financial gain or other benefit; that Respondent’s actions were part of a pattern of misconduct; that the Bank suffered material losses and that such violations, practices and breaches of fiduciary duty evidence the Respondent’s personal dishonesty and demonstrate his willful or continuing disregard for the safety

or soundness of the Bank.

The FDIC, therefore, instituted this proceeding for the purpose of determining whether appropriate orders should be issued against Respondent under the provisions of section 8(e) and 8(i)(2) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. §§ 1818(e) & 1818(i)(2), ordering the Respondent to pay civil money penalties and prohibiting him from further participation in the conduct of the affairs of the Bank and any other insured depository institution or organization listed in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of the FDIC and such other appropriate Federal financial institutions regulatory agency, as that term is defined in section 8(e)(7)(D) of the Act, 12 U.S.C. § 1818(e)(7)(D).

The FDIC hereby issues this NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION, pursuant to section 8(e) of the Act, 12 U.S.C. § 1818(e) and the FDIC's Rules of Practice and Procedure ("FDIC's Rules"), 12 C.F.R. Part 308; and NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT AND CONCLUSIONS OF LAW AND ORDER TO PAY, pursuant to section 8(i)(2)(B) of the Act, 12 U.S.C. § 1818(i)(2)(B), and the FDIC's Rules, 12 C.F.R. Part 308.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

I. JURISDICTION AND BACKGROUND

1. At all times pertinent to this proceeding, the Bank was state chartered existing and doing business under the laws of the State of Illinois, having its principal place of business in Naperville, Illinois. The Bank was, at all times pertinent to this proceeding, an insured State nonmember bank, subject to the Act, 12 U.S.C. §§ 1811-1831aa, the Rules and Regulations of the FDIC, 12 C.F.R. Chapter III; and the laws of the State of Illinois. Pursuant to 12 U.S.C. § 1828(j)(2) and 12 C.F.R. § 337.3, the Bank was, at all times pertinent to this proceeding, subject to Federal Reserve Board Regulation O, 12 C.F.R. § 215 *et seq.* ("Regulation O").

2. At all times pertinent to this proceeding, Respondent was employed by the Bank as its President and Chief Executive Officer, and as such was an "executive officer" and "insider" of the Bank as those terms are defined in Regulation O, 12 C.F.R. §§ 215.2(e)(1) and 215.2(h).

3. At all times pertinent to this proceeding, the Respondent was a member of Bank's Board of Directors and Loan Committee.

4. At all times pertinent to this proceeding, Respondent was and remains an "institution-affiliated party" ("IAP") as

that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and for purposes of sections 8(e)(7), 8(i) and 8(j) of the Act, 12 U.S.C. §§ 1818(e)(7), 1818(i) and 1818(j).

5. On April 23, 2010, the Illinois Department of Financial and Professional Regulation closed the Bank and appointed the FDIC as Receiver.

6. The FDIC has jurisdiction over the Respondent and the subject matter of this proceeding.

7. At all times pertinent to this proceeding, while the Respondent was an IAP of the Bank subject to the jurisdiction of the FDIC, he was also a Member and a Manager of Mezzanine Finance LLC ("MFL"), an Illinois limited liability company engaged in real estate and commercial lending. MFL was a "related interest" of the Respondent as defined in section 215.2(n) of Regulation O, 12 C.F.R § 215.2(n), and is an "insider" as defined in section 215.2(h) of Regulation O, 12 C.F.R § 215.2(h).

II. ******** LLC LOAN TRANSACTIONS

8. As more particularly alleged hereafter, in December 2007, Respondent, as an IAP of the Bank, violated Regulation O, breached his fiduciary duty, engaged in dishonest conduct, and engaged in unsafe or unsound banking practices when he participated in the Bank's approval and subsequent consummation

of a $5,394,424.00 loan to ******** LLC (“*********”), the proceeds of which, in part, directly benefited MFL and its members, including the Respondent, and caused material loss to the Bank.

9. On November 7, 2006, ******** entered into a mortgage note agreement with MFL, in the principal amount of $940,000.00, secured by a Mortgage, Assignment of Leases and Rents and Security Agreement.

10. The proceeds for the $940,000.00 loan granted by MFL to ******** were funded by a draw on MFL’s $1,250,000.00 line of credit with M&I Marshall & Ilsley Bank, Milwaukee, Wisconsin (“M&I”), which was originated on November 6, 2006.

11. On November 7, 2006, Respondent, as a Manager of MFL, executed a Subordination and Interceditor Agreement with Mutual Bank, Harvey, Illinois (“Mutual Bank”), which provided that MFL’s Mortgage Note of $940,000.00 with ******** would be subordinate to Mutual Bank’s existing extension of credit to ********, with a then current balance of $4,661,620.87.

12. On December 21, 2006, as security for its draw on the MFL line of credit with M&I, the three Members and Managers of MFL, including the Respondent, executed an Assignment of Mortgage, in which, MFL conveyed to M&I all of its interests and

entitlements as the holder of the November 7, 2006 ******** Mortgage, Assignment of Leases and Rents and Security Agreement.

13. On December 4, 2007, at 7:19 a.m. central time, Respondent received an email from MFL Member Edward Elsbury ("Elsbury"), concerning MFL's ******** loan, which requested that the Respondent and the other MFL Member, Arthur P. Sundry, Jr. ("Sundry"), review a payoff letter to ********** ("*********"), the principal member of ********, advising ******** that the MFL ******** note "is now in default." The subject letter also advised ******** that "[b]eginning December 5, 2007 the interest rate on your loan is 25% and a late fee of 5% is due."

14. Upon information and belief, a ******** default would have materially affected MFL's ability to further draw on its M&I line of credit and/or payoff its M&I line upon maturity.

15. On December 4, 2007, at 4:37 p.m. central time, Respondent, in his capacity as the President of the Bank, sent a loan proposal to ********, proposing a Bank loan to ******** in the amount of "[a]pproximately $5,300,000" for the purpose of refinancing and consolidating ********'s mortgage to Mutual Bank and ********'s non-performing mortgage to MFL.

16. On December 4, 2007, at 9:45 p.m. central time, Respondent was again copied on an email from MFL Member Elsbury,

concerning a “New Payoff [L]etter”, which was sent to ********. The payoff letter was consistent with the version provided to the Respondent earlier in the day and stated that the MFL ******** note was “in default” and was subject to an increased interest rate of 25% with a late fee of 5%.

17. On or about December 7, 2007, a Bank Loan Approval Request (“LAR”) form was prepared and initialed by Respondent, in his role as the Bank “Account Officer,” on a proposed $5,400,000.00 loan by the Bank to ******** with ******** as the guarantor for the total obligation. The LAR contained certain material misstatements and omissions, including but not limited to:

a. The “Discussion/Background” section of the LAR provided that “Mr. ******** financed the [original] purchase through a first mortgage loan with Mutual Bank ($4,000,000 @ Prime + .50%), and secondary financing through Mezzanine Finance LLC ($940,000 @ 20.0%). All payments to both lenders are current.” In fact, on December 7, 2007, the payment status of the $940,000.00 ******** Loan from MFL was not current and had been classified as “in default” by the MFL Members, including the Respondent.

b. The LAR referred to “Guarantor Strength” as one of the “Mitigating Strengths” associated with the proposed Bank loan, despite the fact that the Respondent was aware that ******** (i.e., ********) was considered to currently be “in default” on its MFL loan.

c. The LAR identifies a “Mezzanine Loan Payoff” of $1,100,000.00, but failed to disclose that a portion of the payoff consisted of an increased

25% rate of interest beginning December 5, 2007, due to an extension of the MFL loan past its maturity date, and a late fee of five percent (5.0%) or $47,000.00.

d. The LAR identified two parcels of land as collateral for the loan, one of which consisted of approximately forty (40) acres of land located in Frankfort, Illinois, appraised at $2,200,000.00. In fact, on December 7, 2007, ******** did not hold title to this forty (40) acre tract.

e. The LAR identified as one of the "Conditions Precedent To Closing" the establishment of a $400,000.00 loan interest reserve. In fact, this loan interest reserve was never established.

f. The LAR provided for a loan origination fee of $2,000.00, payable to the Bank. In fact, this origination fee was never paid. Upon information and belief, the collection of this fee was waived by the Respondent.

g. The LAR did not disclose that any proceeds from the proposed Bank loan were to go directly to ******** and/or ********. However, at closing, $576,669.54 was paid as an "Overdeposit to Borrower."

18. On December 12, 2007, the Bank's Loan Committee held a meeting, chaired by the Respondent, for the purpose of approving Bank loan requests, including the proposed ******** loan.

19. During the Bank's December 12, 2007 Loan Committee meeting, Respondent presented details of the proposed ******** loan. At no point during his Loan Committee presentation did Respondent disclose to the Loan Committee that:

a. The MFL loan to ******** was not current;

b. Respondent and the other MFL Members considered the ******** loan to be in default; or

c. ******** did not hold title to the forty (40) acres located in Frankfort, Illinois, that represented $2,200,000.00 of the collateral represented within the LAR.

20. At the time the Bank's Loan Committee was considering extending $5,400,000.00 to ********, the Bank had reported Regulatory Capital of $21,015,000.00 on Schedule RC-R of the Bank's most recent Call Report.

21. Under section 215.3(f) of Regulation O, 12 C.F.R. § 215.3(f), loans are considered made to an insider to the extent the proceeds are transferred to or for the tangible economic benefit of the insider. Consequently, all proceeds of the loan to ******** used to payoff MFL ($1,112,546.21) are deemed to be an extension of credit to MFL under Regulation O. Further, pursuant to Regulation O, 12 C.F.R. §§ 215.4(b) and 337.3(b), no loan may be made by a bank to an insider in excess of 5% of the bank's capital or $500,000.00 unless (1) the extension of credit is approved in advance by a majority of the bank's entire board of directors, and (2) all interested parties abstain from participating directly or indirectly in the vote.

22. In violation of Regulation O, 12 C.F.R. §§ 215.4(b) and 337.3(b), the Bank's December 12, 2007 Loan Committee was

made up of only four (4) of the Bank's seven (7) board members. Among these four (4) board members were the Respondent and MFL Member Sundry, both of whom were interested parties. Further, neither the Respondent nor Sundry abstained from participating in the vote on the proposed Bank loan to ********.

23. Additionally, the Respondent's actions in voting to approve the ******** loan violated Section I.G.2. of the Bank's own Loan Policy concerning loan responsibility, which stated that "[u]nder no circumstance shall a loan officer make, fund or vote on a loan to a family relative, to another officer, or any other person or business which could be considered a conflict of interest in any way."

24. On December 12, 2007, the Bank's Loan Committee, including the Respondent and Sundry, voted to approve the ******** loan.

25. On December 31, 2007, the Respondent, in his capacity as the Bank's account officer, permitted the ******** loan to be funded in violation of Regulation O, 12 C.F.R. §§ 215.4(b), 215.6, and 337.3(b), and in violation of the terms and conditions authorized by the Loan Committee on December 12, 2007, in that:

a. He failed to establish or ensure the establishment of a $400,000.00 interest reserve as required by the Bank's Loan Committee as one of the "Conditions Precedent to Closing";

b. He failed to secure or ensure that the forty (40) acres of land located in Frankfort, Illinois were secured as partial collateral for the ******** loan as required by the Bank's Loan Committee;

c. He failed to obtain, and upon information and belief, personally waived the collection of the $2,000.00 origination fee provided in the LAR and approved by the Bank's Loan Committee;

d. He permitted $576,669.54 to be deposited directly into an account for the benefit of ******** without prior disclosure or authority; and

e. He permitted the payment by the Bank of $1,112,546.21 to MFL, a sum which exceeded 5% of the Bank's unimpaired capital and $500,000.00, without prior approval by a majority of the disinterested members of the Bank's Board of Directors.

26. At no time prior to funding the ******** loan on December 31, 2007 did the Respondent amend the LAR or otherwise disclose to the members of the Bank's Board of Directors or the Loan Committee that:

a. The MFL loan to ******** was not current;

b. Respondent and the other MFL Members considered the ******** loan to be in default; or

c. ******** did not hold title to the forty (40) acres located in Frankfort, Illinois, that represented $2,200,000.00 of the collateral represented within the LAR.

27. Thereafter, ******** defaulted on its Bank loan and in 2010, the Bank charged-off the loan. As a result of the

Respondent's conduct described herein, the Bank suffered a loss of $4,199,670.00 on the ******** loan.

III. LOAN TRANSACTIONS ASSOCIATED WITH ******** AND ************

28. As more particularly alleged hereafter, from March 7, 2007 through February 13, 2009, Respondent breached his fiduciary duty, engaged in dishonest conduct, and engaged in unsafe or unsound banking practices when he participated in the Bank's approval, consummation and subsequent modifications of a $693,750.00 loan to ********** and ********** (collectively, the "*******s").

29. On or about February 14, 2007, the *******s submitted a loan application to the Bank, through the Respondent, for the purpose of purchasing two parcels of real estate in Naperville, Illinois, for subsequent single-family residential development.

30. On February 14, 2007, Respondent, in his role as President of the Bank, sent a loan "proposal of potential commitment terms" to the *******s, which called for, in part, a Bank loan in the amount of 75.0% of the total appraised value of the two (2) parcels, not to exceed $744,600.00, for a term of eighteen (18) months.

31. On or about March 7, 2007, the Respondent, as the designated Bank account officer for the proposed *******s loan, initialed a *******s LAR which, in part, set forth an "interest

rate floor of 7.25%" as one of the "Conditions Precedent to Closing" and identified a 75.0% loan-to-value ("LTV") of the appraised values of the two parcels (totaling $925,000.00) collateralizing the loan, or $693,750.00, as a "Mitigating Strength" of the proposed Bank loan to the *******s.

32. The *******s' LAR requested approval for a loan in the amount of $693,750.00, the maximum amount allowed under the existing Bank Loan Policy, for a term of eighteen (18) months.

33. As of March 16, 2007, the Bank's Loan Policy at Section II.B., provided the Respondent with the authority to directly grant credit facilities (i.e. loans) with an aggregate exposure of $1,000,000.00 or less, provided that such an approved loan be "presented at the next Loan Committee meeting on an Ex Post Facto basis."

34. On March 16, 2007, Respondent, in his capacity as the account officer and as President of the Bank, authorized the funding of a loan to the *******s in the amount of $693,750.00, for a term of eighteen (18) months, an initial interest rate of 8.250% and an interest rate floor of 7.25%, which was consistent with the *******s' LAR.

35. In connection with this loan, the *******s executed a Promissory Note for an eighteen (18) month term in the amount of $693,750, which provided that "[u]nder no circumstances will the

interest rate on this Note be less than 7.250% per annum or more than the maximum allowed by applicable law."

36. On the same day, Respondent, in his capacity as a Member and a Manager of MFL, also authorized a loan to the *******s in the amount of $92,500.00, funded by a draw on MFL's line of credit with M&I.

37. In connection with the MFL loan, the *******s executed a Mortgage Note in the amount of $92,500.00 with a term of three-hundred sixty (360) days at an interest rate of 20.0% per annum.

38. As security for its draw on the MFL line of credit with M&I, the three Members and Managers of MFL, including the Respondent, executed an Assignment of Mortgage, whereby, MFL conveyed to M&I all of its interests and entitlements as the holder of the *******s' March 16, 2007 Junior Mortgage, Assignment of Leases and Rents and Security Agreement, in the amount of $92,500.00.

39. On March 21, 2007, the Bank's Loan Committee held a meeting, chaired by the Respondent, in part, for the purpose of providing "Ex Post Facto Loan Approvals," including approval of the *******s' loan in the amount of $693,750.00.

40. During the March 21, 2007 Loan Committee meeting, Respondent failed to disclose the interests of MFL in providing

the *******s a $92,500.00 loan on March 16, 2007 and therefore, failed to disclose to the Loan Committee that the *******s had aggregate debts against the Bank's loan collateral of 85.0%.

41. Furthermore, During the March 21, 2007 Loan Committee Meeting, the Respondent failed to abstain from participating in providing "Ex Post Facto" approval of the Bank's *******s loan, thus resulting in a violation Section I.G.2. of the Bank's Loan Policy.

42. On March 21, 2007, the Bank's Loan Committee, including the Respondent, provided "Ex Post Facto" approval of the $693,750.00 *******s' loan.

43. In 2008, the *******s contacted the Respondent, in his capacity as an officer of the Bank, and requested a modification of loan terms, including an extension of the September 16, 2008 maturity date.

44. On October 27, 2008, within an internal Bank memorandum to the *******s' loan file, the Respondent approved the *******s' request and extended "the above matured loan for a period of ninety (90) days. ***The interest rate of Prime floating, will now be modified to include a floor of 6.50% (previously there was no floor).***" (emphasis in original)

45. Respondent knew or should have known that this statement contained in the memorandum to the *******s loan file

was false in that the LAR on the *******s' loan required a 7.25% interest rate floor as a condition precedent for the Bank's approval of the loan and the *******s' original Promissory Note provided for a 7.25% interest rate floor.

46. Again, in a February 13, 2009 internal Bank memorandum to the *******s' loan file, the Respondent approved a further twelve month extension of the above referenced matured note. As part of the February 13, 2009 memorandum, Respondent further lowered the interest floor on the Bank's loan to the *******s to 5.5%, despite the fact that the LAR on the *******s' loan required a 7.25% interest rate floor as a condition precedent for the Bank's approval of the loan.

47. Despite the requests of the *******s, at no point did the Respondent reduce the 20.0% interest rate that MFL was charging the *******s.

48. By reducing the rate on the Bank's loan, the Respondent increased the likelihood that the *******s would be able to pay the 20% interest required on their MFL loan. By refusing to proportionately reduce the interest rate on the MFL loan, the Respondent increased the likelihood that the *******s would default on their loan to the Bank. Consequently, the Respondent breached his fiduciary duty to the Bank by placing his own personal, financial interests above those of the Bank.

49. Thereafter, the *******s defaulted on their Bank loan, and on December 31, 2009, the Bank charged-off the loan. As a result of the Respondent's conduct described herein, the Bank suffered a loss of $96,519.44 on the *******s loan.

IV. VIOLATIONS, BREACHES OF FIDUCIARY DUTY AND UNSAFE OR UNSOUND PRACTICES

50. By reason of Respondent's acts, omissions and practices described in paragraphs 8 through 27 above, Respondent violated Regulation O, 12 C.F.R.§ 215 *et seq.* and 12 C.F.R.§ 337.3.

51. By reason of Respondent's acts, omissions, and practices described in paragraphs 8 through 49 above, Respondent has breached his fiduciary duties to the Bank and recklessly engaged in unsafe or unsound practices.

52. By reason of Respondent's violations, breaches of fiduciary duty and unsafe or unsound practices, Respondent has received financial gain or other benefit. In addition, the breaches of fiduciary duty and unsafe or unsound practices were part of a pattern of misconduct.

53. By reason of Respondent's violations, breaches of fiduciary duty and unsafe or unsound practices the Bank suffered financial loss.

54. The violations, unsafe or unsound practices and breaches of fiduciary duties committed by Respondent involve

personal dishonesty and demonstrate a willful or continuing disregard for the safety and soundness of the Bank.

NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTIES, FINDINGS OF FACT AND CONCLUSIONS OF LAW; ORDER TO PAY; AND NOTICE OF HEARING

NOTICE OF ASSESSMENT

55. The FDIC incorporates the allegations of paragraphs 8 through 54 as FINDINGS OF FACT AND CONCLUSIONS OF LAW for purposes of this NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTIES (”NOTICE OF ASSESSMENT”) as fully set out herein.

ORDER TO PAY

56. By reason of the violations of law set forth in the NOTICE OF ASSESSMENT, the FDIC concluded that a civil money penalty should be assessed against the Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2). After taking into account the appropriateness of the penalties with respect to the size of the financial resources and good faith of the Respondent, the gravity of the violation, the history of previous violations, and such other matters as justice may require, it is:

ORDERED that by reason of the violations set forth in the NOTICE OF ASSESSMENT, a penalty of $75,000.00 be, and hereby is, assessed against the Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2);

FURTHER ORDERED, that the effective date of this ORDER TO PAY be, and hereby is, stayed until twenty (20) days after the date of service of the NOTICE OF ASSESSMENT, during which time the Respondent may file an answer and request a hearing pursuant to section 8(i)(2)(h) of the Act, 12 U.S.C. § 1818(i)(2)(h), and section 308.19 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.19.

57. The Respondent may request a hearing regarding this NOTICE OF ASSESSMENT and ORDER TO PAY. Such a request for a hearing must be made within twenty (20) days of service of the NOTICE OF ASSESSMENT, pursuant to section 8(i)(2)(h) of the Act, 12 U.S.C. § 1818(i)(2)(h), and section 308.19 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.19. If the Respondent fails to request a hearing within twenty (20) days of service of this NOTICE OF ASSESSMENT, the penalty assessed against the Respondent pursuant to the ORDER TO PAY will be final and unappealable and shall be paid within sixty (60) days after the date of service of this NOTICE OF ASSESSMENT.

58. In the event the Respondent requests a hearing, the Respondent shall also file an answer to the charges in the NOTICE OF ASSESSMENT within twenty (20) days of service of the NOTICE OF ASSESSMENT, in accordance with section 308.19 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.19.

NOTICE OF HEARING

59. Regardless of whether the Respondent requests a hearing on the NOTICE OF ASSESSMENT and ORDER TO PAY, notice is hereby given that a hearing will be held in Chicago, Illinois, commencing sixty (60) days from the date of service of the NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION, or on such date and at such place as may be set by the Administrative Law Judge appointed to hear the matter, for the purpose of taking evidence on the charges specified in the NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION and to determine whether an appropriate order should be issued under the Act.

60. If the Respondent requests a hearing with respect to the charges specified in the NOTICE OF ASSESSMENT and ORDER TO PAY, evidence shall also be taken on the charges specified therein at the same time and place for the purpose of determining whether the Respondent shall be ordered to forfeit and pay a civil money penalty in accordance with section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2).

61. The hearing will be held before an Administrative Law Judge to be appointed by the Office of Financial Institution Adjudication pursuant to 5 U.S.C. § 3105. The hearing will be public, and in all respects will be conducted in compliance with

the Act, the Administrative Procedures Act, 5 U.S.C. §§ 551 - 559, and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308.

62. The Respondent is directed to file an answer to the NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION within twenty (20) days from the date of service, as provided in 12 C.F.R. § 308.19 of the FDIC Rules of Practice and Procedure.

63. All papers to be filed or served in this proceeding shall be filed with the Office of Financial Institution Adjudication, 3501 N. Fairfax Drive, Suite VS-D8113, Arlington, VA 22226-3500, pursuant to section 308.10 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.10. Respondent is encouraged to file any answer electronically with the Office of Financial Institution Adjudication at ofia@fdic.gov.

64. Copies of all papers filed or served in this proceeding shall be served upon the Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429-9990; A.T. Dill, Assistant General Counsel, Enforcement Section, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429-9990; and Timothy E. Divis, Regional Counsel, Federal Deposit Insurance Corporation, 300 S. Riverside Drive, Suite 1700, Chicago, Illinois 60606.

PRAYER FOR RELIEF

65. The FDIC prays for relief in the form of the issuance of an ORDER OF PROHIBITION pursuant to 12 U.S.C. § 1818(e) against the Respondent and an ORDER TO PAY CIVIL MONEY PENALTY pursuant to 12 U.S.C. § 1818(i) in the amount of $75,000.00 against the Respondent.

Pursuant to delegated authority.

Dated at Washington, D.C., this 20th day of December, 2011.

/s/
Serena L. Owens
Associate Director