

**STATE BANKING BOARD OF ILLINOIS**  
**Meeting of Monday, March 5, 2012**  
**12:30 p.m. – 2:00 p.m.**

**Illinois Department of Financial and Professional Regulation**  
**Division of Banking**  
**122 South Michigan Avenue, Suite 1900**  
**Chicago, IL 60603**

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**AGENDA**

- I. Call to Order
- II. Introductions of Members and Staff in Attendance
- III. Comments from the Chairman
- IV. Proposed Board Resolution 2012-1
- V. Duties and Responsibilities of Members of the Board
- VI. State of the Industry
- VII. Legislative Update
- VIII. Pending Administrative Rules
- IX. Bank Examiners' Education Foundation
  - i. Report of Training Activities
  - ii. Proposed Budget for Training for 2012
  - iii. Proposed Board Resolution 2012-2
- X. Open Comment Period for Board Members
- XI. Open Comment Period for Members of the Public
- XII. Meeting schedule for 2012
- XIII. Adjourn

**MEMBERS OF THE  
STATE BANKING BOARD OF ILLINOIS**

Manuel Flores .....	Department of Financial and .....	Chairman
<i>Director of Banking</i>	Professional Regulation	
	320 West Washington Street	
	Springfield, Illinois 62786	
	Telephone: (217) 785-2900	
	Fax: (217) 557-0330	

**CLASS A MEMBERS**  
(Public Members)

Lisa M. Derezinski .....	Heartland Alliance .....	Term Expires
	208 S. LaSalle St., Ste. 1818	December 31, 2014
	Chicago, Illinois 60604	
	Telephone: (312) 660-1471	
Dory M. Rand.....	Woodstock Institute.....	Term Expires
	29 E. Madison, Suite 1710	December 31, 2015
	Chicago, Illinois 60602	
	Telephone: (312) 368-0310	

**CLASS B MEMBERS**

Mark G. Field.....	President.....	Term Expires
0 - 75 million asset	The Farmers Bank of Liberty	December 31, 2014
	1002 North Main Street	
	Liberty, Illinois 62347	
	Telephone: (217) 645-3434	

Vacant  
0 - 75 million asset

James B. Jurgens .....	President .....	Term Expires
75 - 150 million asset	State Bank of Arthur	December 31, 2015
	411 South Vine	
	Arthur, Illinois 61911	
	Telephone: (217) 543-2111	

Vacant  
75 - 150 million asset

**STATE BANKING BOARD OF ILLINOIS (Continued)**

Page 2

Joy French Becker ..... President ..... Term Expires  
150 - 500 million asset      The Farmers State Bank and Trust Company      December 31, 2015  
200 West State Street  
Jacksonville, Illinois 62650  
Telephone: (217) 479-4000

Walter E. Grady..... President ..... Term Expires  
150 -500 million asset      Seaway Bank and Trust Company      December 31, 2015  
645 East 87th Street  
Chicago, Illinois 60619  
Telephone: (773) 487-4800

S. Michael Polanski..... Chairman of the Board..... Term Expires  
500 million to 2 billion asset      Village Bank & Trust      December 31, 2014  
234 West Northwest Highway  
Arlington Heights, IL 60004  
Telephone: (847) 670-1000

Vacant  
500 million to 2 billion asset

Vacant  
Over 1 billion asset

**RESOLUTION OF THE STATE BANKING BOARD OF ILLINOIS**

**2012-1**

**ELECTRONIC ATTENDANCE AT MEETINGS OF THE BOARD**

**WHEREAS**, the State Banking Board of Illinois is a public body and recognizes that its members are citizen volunteers who devote their time to participate as members of the board.

**WHEREAS**, the Illinois Open Meetings Act [5 ILCS 120] authorizes members of a public body to attend meetings by a means other than physical presence.

Whereas, it is not always possible for all members to physically attend meetings of the board at the same location.

**WHEREAS**, it is the desire to promote the full participation of members of the board, and

**WHEREAS**, that technology permits members of the board to participate in meetings remotely through the use of audio and video conferences

**THEREFORE**, in accordance with the Illinois Open Meetings Act [5 ILCS 120/7], be it resolved by the State Banking Board of Illinois, that the board authorizes its members to participation in meetings of the board or of any committee established by the board by electronic means including but not limited to video and audio conference calls when members of the board are not able to attend meetings in person as a result of:

- personal illness or disability;
- employment purposes or the business of the public body; or
- family or other emergency

**BE IT FURTHER RESOLVED**, that the participation by a member in a meeting of the board by video or audio conference shall have the same effect as the participation in person.



# Illinois Department of Financial and Professional Regulation

## Division of Banking

PAT QUINN  
Governor

BRENT E. ADAMS  
Secretary

MANUEL FLORES  
Director  
Division of Banking

### Memorandum

To: Members of the State Banking Board of Illinois

From: Manuel Flores, Director

Date: March 1, 2012

Re: Overview of the State Banking Board of Illinois

This memorandum provides information regarding the State Banking Board of Illinois (Board) and your role as members. I would be glad to provide further information on any matter discussed in this memorandum. Thank you for your service.

### Establishment

The Board is established under Section 78 of the Illinois Banking Act ("the Act"). (205 ILCS 5/78).

### Membership and Officers

The Board is to have 12 members: The Director of the Division of Banking is the chairman of Board and a member. Nine of the remaining 11 members are selected from State banks based upon the asset size of the State bank they represent, while two members are selected from the general public. (205 ILCS 5/78). Members are appointed by the Governor to four-year terms, but remain members thereafter until appointment of a successor or resignation. (205 ILCS 5/79).

### Powers

The Board has the power of direction over the Illinois Bank Examiners' Education Fund, the duty to develop the Illinois Bank Examiners' Education Program, and serves in an advisory capacity. (205 ILCS 5/80).

Regarding its advisory role, the Board may advise the Governor and the Secretary on any banking matter and may provide proposals or commentary related to amendment of the Act. (205 ILCS 5/80).

### Meetings

The Board is required to meet once a year. Additional meetings of the Board may be called by the chairman at anytime, as well as by the Board. (205 ILCS 5/80). A simple majority, seven members of the twelve, constitutes a quorum of the Board enabling it to carry on its statutory functions. (205 ILCS 5/80).

### Office Space and Personnel

The Secretary of Financial and Professional Regulation is required to provide adequate quarters and personnel for the Board's use. (205 ILCS 5/80).

### Compensation and Reimbursement

Board members are not entitled to compensation for participation on the Board (205 ILCS 5/81). However, Board members may be reimbursed in accordance with the Rules of the Governor's Travel Control Board. (30 Illinois Administrative Code Part 2800) The Division of Banking will assist members in preparing the travel vouchers and any other forms needed to receive compensation and reimbursement. Actual payment of compensation or reimbursement is subject to appropriation of funds and approval of the relevant State officers.

### Protection from Civil Liability

To enable Board members to participate freely, openly and as fully as he or she chooses without fear of personal legal consequences or civil liability, each Board member is afforded significant protection against civil liability when acting in an official capacity. The Act states "[n]either the Secretary, Director of Banking, any member of the State Banking Board of Illinois...shall be subject to any civil liability or penalty, whether for damages or otherwise, on account of or for any action taken or omitted to be taken in their respective official capacities, except when such acts or omissions to act are corrupt or malicious or unless such action is taken or omitted to be taken not in good faith and without reasonable grounds." (205 ILCS 5/82).

### Open Government and Ethics Laws

As a state agency, Board and its members are subject to State laws and training requirements designed to promote open government and ethical behavior.

First, the Board meetings must be held in accordance with the Illinois Open Meetings Act. The Act's purpose is to facilitate open and honest government. Accordingly, the Open Meetings Act imposes several requirements on the Board, including: 1) public notice is required in advance of all Board meetings; (5 ILCS 120/2.02); 2) meetings must be open to the public with only narrow exceptions (5 ILCS 120/2(a)); 3) any person must be permitted to record the events of a public meeting (5 ILCS 120/2.05); and 4) regardless of whether a meeting is open to the public, the content and attending members must be documented (5 ILCS 120/2.06). Members of the Board whose appointments commence January 1, 2012 or after, are required to take Open Meetings Act training, and file a copy of the certificate of completion with the State of Illinois no later than the 90<sup>th</sup> day after the member takes the oath of office or otherwise assumes responsibilities as a member of the Board. (5 ILCS 120/1.05).

Finally, the importance of the Open Meetings Act is so significant that violation of the Act is a Class C misdemeanor, a criminal offense. (5 ILCS 120/4)

Some examples may be useful to illustrate the provisions above. For instance, the Act would prohibit meeting causally to discuss Board matters, though that restriction would not extend to individual Board member discussions with trade associations or agency staff. However, e-mails in which matters before the Board are discussed would be prohibited. Be that as it may, such prohibitions should not be interpreted as favoring secrecy. In fact, a secret ballot vote would be impermissible at a public meeting.

On a related note, if you are contacted individually by a party seeking assistance from the Board, you should instruct them that such requests need to be submitted to the entire board using formal channels; and as explained more fully below (Illinois Governmental Ethics Act), you may be obligated to disclose the request depending on the status of the requesting party.

Second, the records of the Board are subject to disclosure under the Illinois Freedom of Information Act (FOIA). Any person may make a "FOIA Request" for any records of the Board. The person making the request need not provide a reason for seeking the records. Recently, FOIA underwent a comprehensive revision, effective January 1, 2010. Among other things, a presumption that records are open was added, specifically:

All records of a public body are presumed to be open to inspection or copying. Any public body that asserts that a record is exempt from disclosure has burden of proving by clear and convincing evidence that it is exempt." (5 ILCS 140/1.2).

Only those records which FOIA exempts from inspection and copying may be withheld. (5 ILCS 140/1 *et seq.*)

Finally, the Board members are subject to the Illinois Governmental Ethics Act. The Ethics Act is designed to curtail conduct that unfairly impacts the citizens of Illinois. To that end, special rules apply to government appointees like you. (5 ILCS 420/Art. 3A) For instance, if you receive communication from a state legislator in your capacity as a Board member, you are required to disclose it as an ex-parte communication. Also, you may be required to abstain from certain board responsibilities that conflict with your interests as a businessperson. In essence, providing proper disclosures and discharging your responsibilities without bias are fundamental to upholding the Ethics Act. As a practical matter, when issues arise that trigger ethical considerations, you will be responsible to first disclose the issue and next refrain from participation. Occasionally, the solution can be as simple as leaving the room while the issue is discussed. To help you better understand your responsibilities, each Board member must complete an ethics training program annually. (5 ILCS 430/5-10).

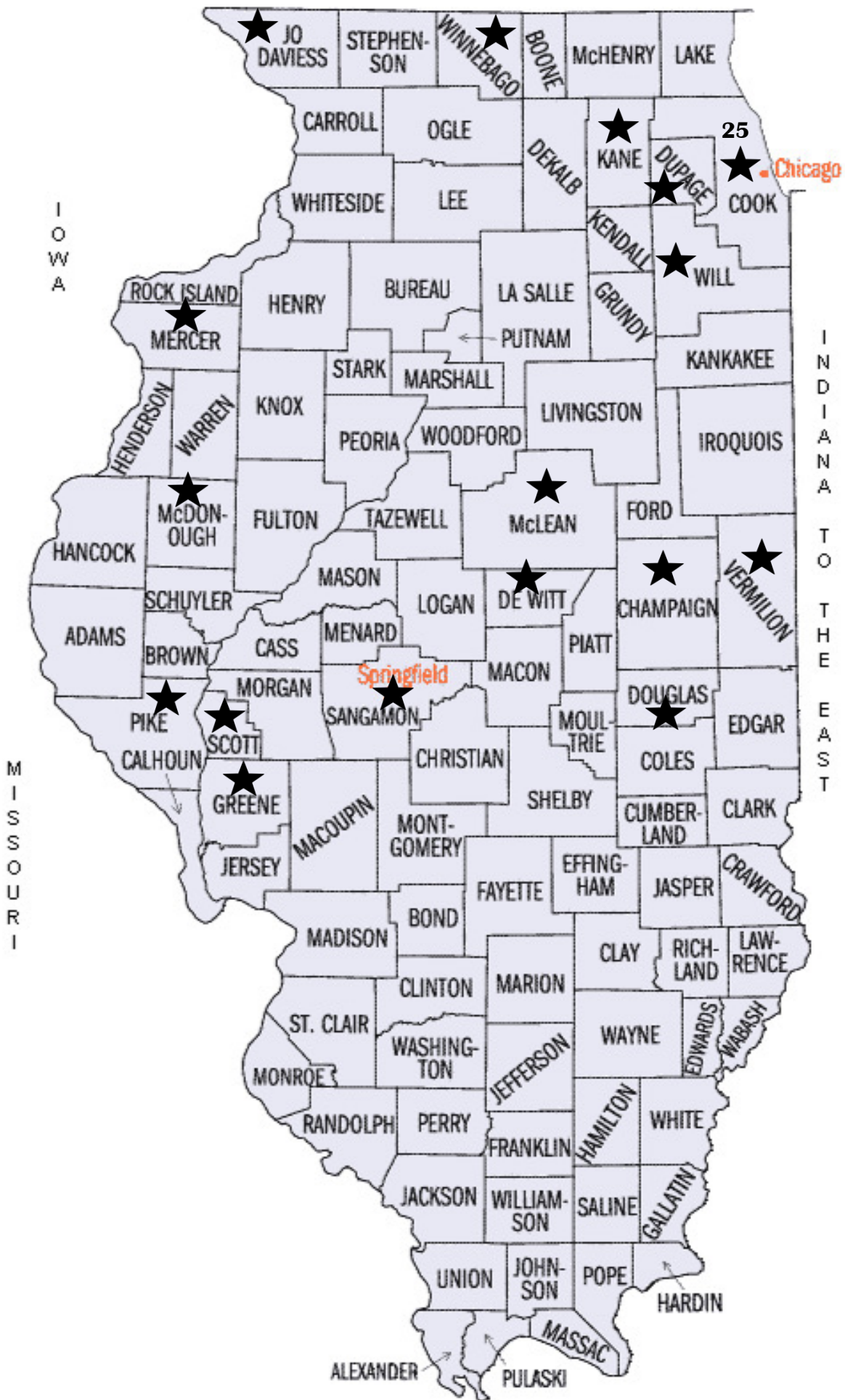
On April 9, 2009, Governor Pat Quinn signed Executive Order 10. The Order supplements the Ethics Act and increases transparency related to your participation on the Board in the following ways. First, you will be required to affirm that you will not be compensated by a person or entity whose regulatory case you participated in or who received a contract over \$25,000, for one year following the end of your participation, unless a waiver is granted. Additionally, and without exception, you will be required to forgo lobbying or representing any person or entity that appears before the Board for one year following the end of your participation. Finally, you must complete forms declaring interests you hold that could conflict with carrying out your duties as a Board member, such as an account at a mutual savings bank.

**BANK FAILURES IN ILLINOIS**  
2008 - Present

YEAR	INSTITUTION	CITY	COUNTY	DATE OF CLOSING	ASSETS (000's)	SUCCESSOR BANK OR RECEIVER
2008	Meridian Bank	Eldred	Greene	October 10, 2008	39,180,000	National Bank, Hillsboro, Illinois
2009	National Bank of Commerce	Berkeley	Cook	January 16, 2009	430,900,000	Republic Bank of Chicago, Chicago, Illinois
2009	Corn Belt Bank and Trust Company	Pittsfield	Pike	February 13, 2009	288,000,000	Carlinville National Bank, Carlinville, Illinois
2009	Heritage Community Bank	Glenwood	Cook	February 27, 2009	232,000,000	MB Financial Bank, National Association, Chicago, Illinois
2009	Strategic Capital Bank	Champaign	Champaign	May 22, 2009	537,000,000	Midland States Bank, Effingham, Illinois
2009	Citizens National Bank	Macomb	McDonough	May 22, 2009	437,000,000	Morton Community Bank, Morton, Illinois
2009	Bank of Lincolnwood	Lincolnwood	Cook	June 5, 2009	214,000,000	Republic Bank of Chicago, Oak Brook, Illinois
2009	The Elizabeth State Bank	Elizabeth	JoDaviess	July 2, 2009	55,500,000	Galena State Bank & Trust Co., Galena, Illinois
2009	Founders Bank	Worth	Cook	July 2, 2009	962,500,000	The PrivateBank and Trust Company, Chicago, Illinois
2009	The John Warner Bank	Clinton	DeWitt	July 2, 2009	70,000,000	State Bank of Lincoln, Lincoln, Illinois
2009	The First State Bank of Winchester	Winchester	Scott	July 2, 2009	36,000,000	The First National Bank of Beardstown, Beardstown, Illinois
2009	Rock River Bank	Oregon	Ogle	July 2, 2009	77,000,000	The Harvard State Bank, Harvard, Illinois
2009	First National Bank of Danville	Danville	Vermillion	July 2, 2009	166,000,000	First Financial Bank, N.A., Terra Haute, Indiana
2009	Mutual Bank	Harvey	Cook	July 31, 2009	1,600,000,000	United Central Bank, Garland, Texas
2009	InBank	Oak Forest	Cook	September 4, 2009	212,000,000	MB Financial Bank, National Association, Chicago, Illinois
2009	Platinum Community Bank	Rolling Meadows	Cook	September 4, 2009	345,600,000	Federal Deposit Insurance Corporation
2009	Corus Bank, National Association	Chicago	Cook	September 11, 2009	7,000,000,000	MB Financial Bank, National Association, Chicago, Illinois
2009	First DuPage Bank	Westmont	DuPage	October 23, 2009	279,000,000	First Midwest Bank, Itasca, Illinois
2009	Community Bank of Lemont	Lemont	Cook	October 30, 2009	80,601,000	U.S. Bank, N.A., Minneapolis, Minnesota
2009	Park National Bank	Chicago	Cook	October 30, 2009	4,821,000	U.S. Bank, N.A., Minneapolis, Minnesota
2009	Benchmark Bank	Aurora	Kane	December 4, 2009	170,000,000	MB Financial Bank, National Association, Chicago, Illinois
2009	Independent Bankers' Bank	Springfield	Sangamon	December 18, 2009	585,500,000	Independent Bankers' Bank Bridge Bank, National Association
2010	Town Community Bank and Trust	Antioch	Lake	January 15, 2010	69,600,000	First American Bank, Elk Grove Village, Illinois
2010	George Washington Savings Bank	Orland Park	Cook	February 19, 2010	412,800,000	FirstMerit Bank, National Association, Akron, Ohio
2010	Bank of Illinois	Normal	McLean	March 5, 2010	211,700,000	Heartland Bank and Trust Company, Bloomington, Illinois
2010	Broadway Bank	Chicago	Cook	April 23, 2010	1,200,000,000	MB Financial Bank, National Association, Chicago, Illinois
2010	Citizens Bank & Trust Company of Chicago	Chicago	Cook	April 23, 2010	77,300,000	Republic Bank of Chicago, Oak Brook, Illinois
2010	New Century Bank	Chicago	Cook	April 23, 2010	485,600,000	MB Financial Bank, National Association, Chicago, Illinois
2010	Lincoln Park Savings Bank	Chicago	Cook	April 23, 2010	199,900,000	Northbrook Bank and Trust Company, Northbrook, Illinois
2010	Peotone Bank and Trust Company	Peotone	Will	April 23, 2010	130,200,000	First Midwest Bank, Itasca, Illinois
2010	Wheatland Bank	Naperville	DuPage	April 23, 2010	437,200,000	Wheaton Bank & Trust, Wheaton, Illinois
2010	Amcore Bank, National Association	Rockford	Winnebago	April 23, 2010	3,800,000,000	Harris National Association, Chicago, Illinois
2010	Midwest Bank and Trust Company	Elmwood Park	Cook	May 14, 2010	3,170,000,000	FirstMerit Bank, National Association, Akron, Ohio
2010	Arcola Homestead Savings Bank	Arcola	Douglas	June 4, 2010	17,000,000	Federal Deposit Insurance Corporation
2010	Ravenswood Bank	Chicago	Cook	August 6, 2010	264,600,000	Northbrook Bank and Trust Company, Northbrook, Illinois
2010	Palos Bank and Trust Company	Palos Heights	Cook	August 13, 2010	493,400,000	First Midwest Bank, Itasca, Illinois
2010	ShoreBank	Chicago	Cook	August 20, 2010	2,160,000,000	Urban Partnership Bank, Chicago, Illinois
2010	First Suburban National Bank	Maywood	Cook	October 22, 2010	148,700,000	Seaway Bank and Trust Company, Chicago, Illinois
2011	Community First Bank - Chicago	Chicago	Cook	February 4, 2011	51,100,000	Northbrook Bank and Trust Company, Northbrook, Illinois
2011	Valley Community Bank	St. Charles	Kane	February 25, 2011	123,800,000	First State Bank, Mendota, Illinois
2011	The Bank of Commerce	Wood Dale	DuPage	March 25, 2011	163,100,000	Advantage National Bank Group, Elk Grove Village, Illinois
2011	Western Springs National Bank and Trust	Western Springs	Cook	April 8, 2011	186,800,000	Heartland Bank and Trust Company, Bloomington, Illinois
2011	First Chicago Bank & Trust	Chicago	Cook	July 8, 2011	959,300,000	Northbrook Bank & Trust Company, Northbrook, Illinois
2011	Bank of Shorewood	Shorewood	Will	August 5, 2011	110,700,000	Heartland Bank and Trust Company, Bloomington, Illinois
2011	First Choice Bank	Geneva	Kane	August 19, 2011	141,000,000	Inland Bank and Trust, Oak Brook, Illinois
2011	Country Bank	Aledo	Mercer	October 14, 2011	190,600,000	Blackhawk Bank & Trust, Milan, Illinois
2011	All American Bank	Des Plaines	Cook	October 28, 2011	37,800,000	International Bank of Chicago, Chicago, Illinois
2012	Charter National Bank and Trust	Hoffman Estates	Cook	February 10, 2012	93,900,000	Barrington Bank & Trust Company, National Association, Barrington, Illinois



WISCONSIN TO THE NORTH

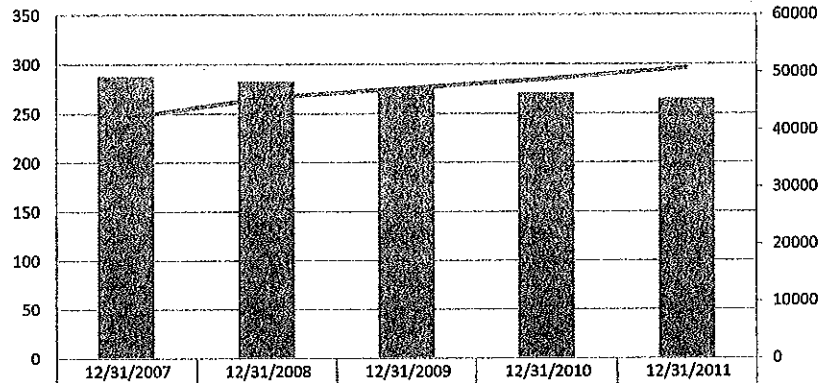


**Illinois Department of Financial and Professional Regulation**  
**Division of Banking**  
**Bureau of Banks, Trust Companies, and Savings Institutions**  
**Illinois State Chartered Banks and Thrifts – Composite CAMELS Rating**

<b>Date</b>	<b>Total # of Institutions</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>NR</b>	<b>Percentage of 3, 4 &amp; 5</b>	<b># of Failed Institutions</b>
<b>Cook, DuPage, Kane, Kendall, Lake and McHenry County</b>									
2/29/2012 *	115	8	42	30	20	14	1	55.65%	0
<b>Downstate</b>									
2/29/2012 *	303	83	159	40	16	3	2	19.47%	0
<b>State Wide Totals</b>									
2/29/2012 *	418	91	201	70	36	17	3	29.43%	0
12/31/2011 *	419	91	202	71	40	12	3	29.36%	8
12/31/2010 *	441	95	222	71	44	7	2	27.66%	14
12/31/2009	418	97	236	57	20	7	1	20.10%	16
12/31/2008	437	124	266	35	7	3	2	10.30%	1
12/31/2007	443	160	251	25	2	0	5	6.09%	0
12/31/2006	446	177	245	19	2	0	3	4.71%	0
12/31/2005	466	194	246	18	2	0	6	4.29%	0
12/31/2004	487	221	230	26	4	1	5	6.37%	0
12/31/2003	496	226	230	25	8	3	4	7.26%	0
12/31/2002	504	219	238	30	10	2	5	8.33%	0
12/31/2001	512	231	245	21	10	0	5	6.05%	0
12/31/2000	518	241	245	20	6	2	4	5.41%	0
12/31/1999	522	250	230	25	2	1	14	5.36%	0
12/31/1998	524	281	221	13	4	0	5	3.24%	0
12/31/1997	551	272	177	11	1	0	90	2.18%	0
12/31/1996	593	242	143	6	2	0	200	1.35%	0
12/31/1995	613	205	136	5	1	0	266	0.98%	0

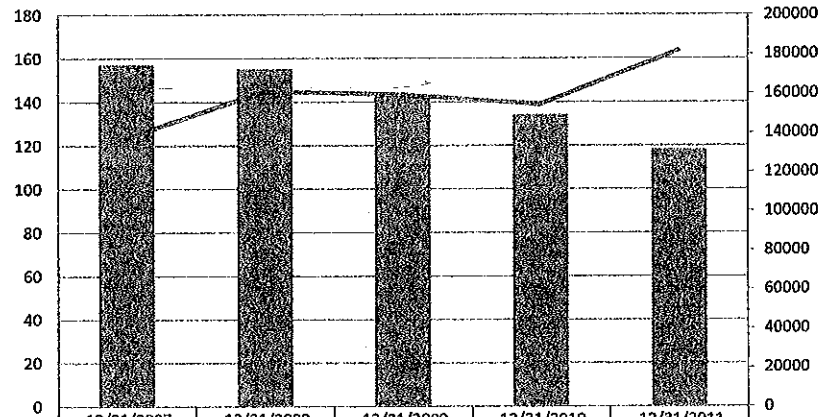
\* Includes Illinois State Chartered Banks and Savings Institutions

### Downstate Banks



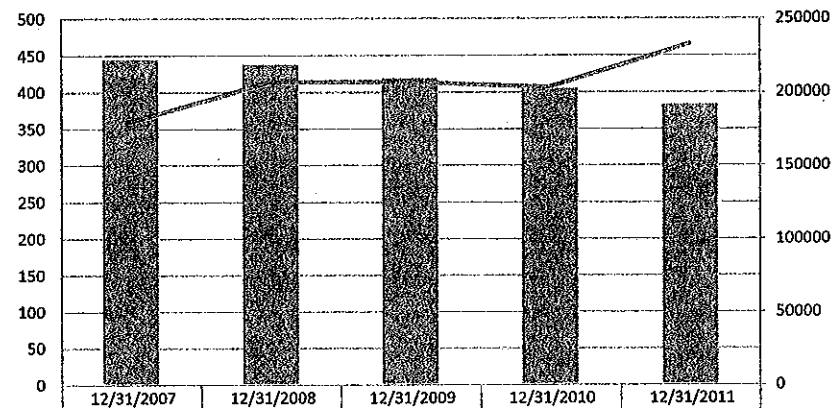
Number of Banks	287	282	275	270	264
Total Assets in Millions	42011	45465	47146	48726	50667

### Chicago Area Banks

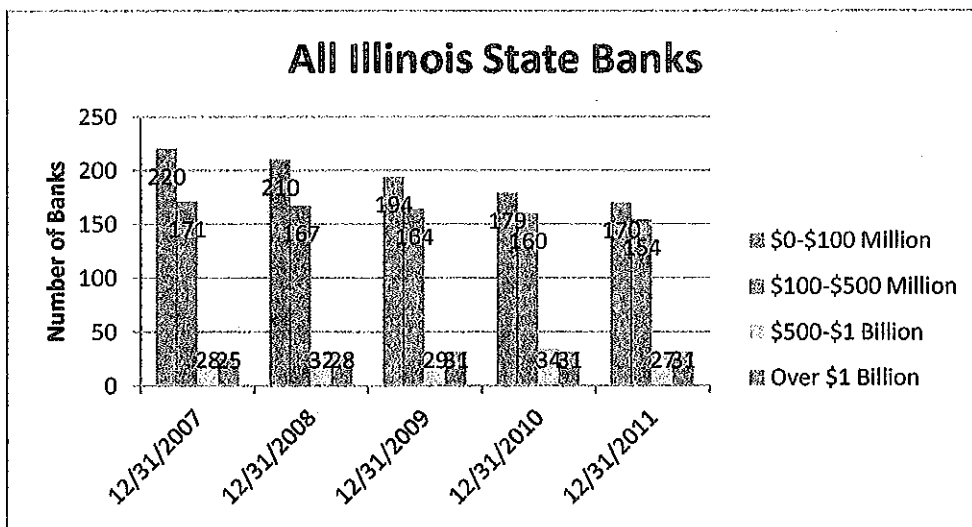
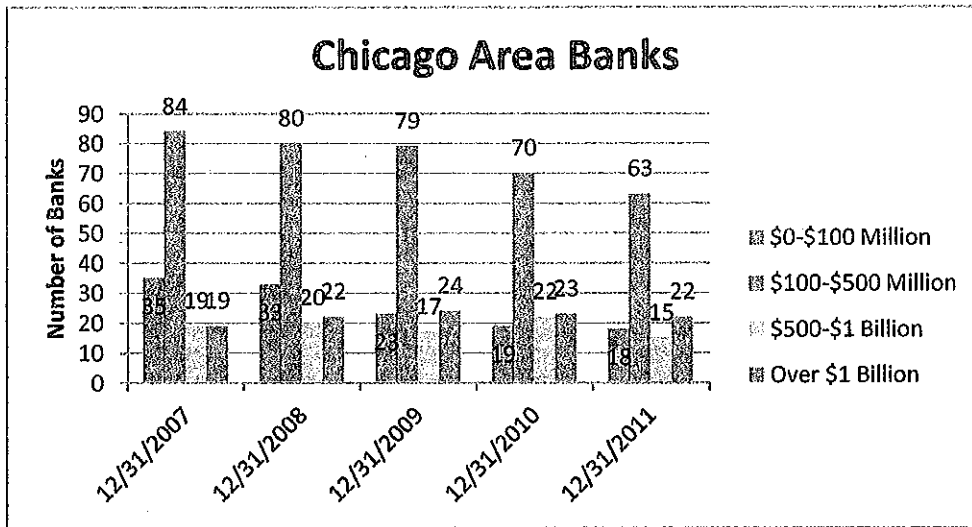
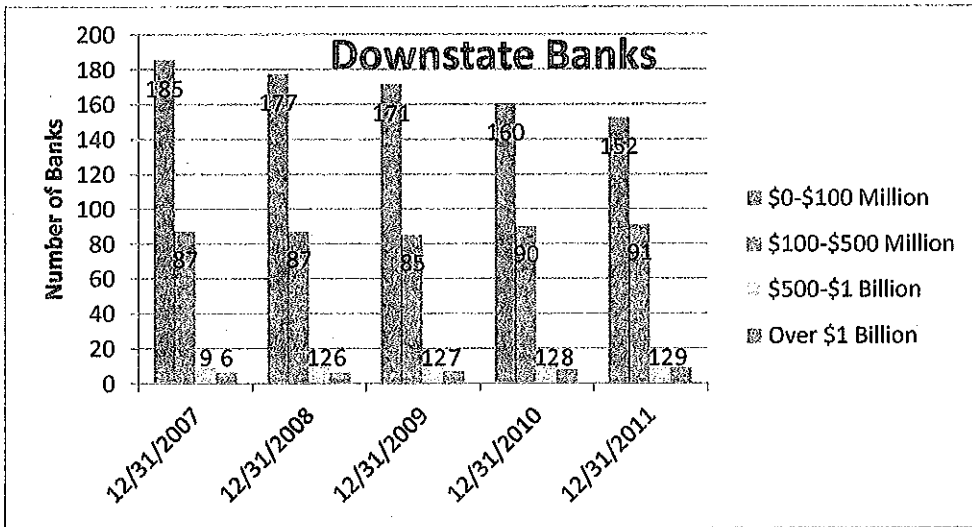


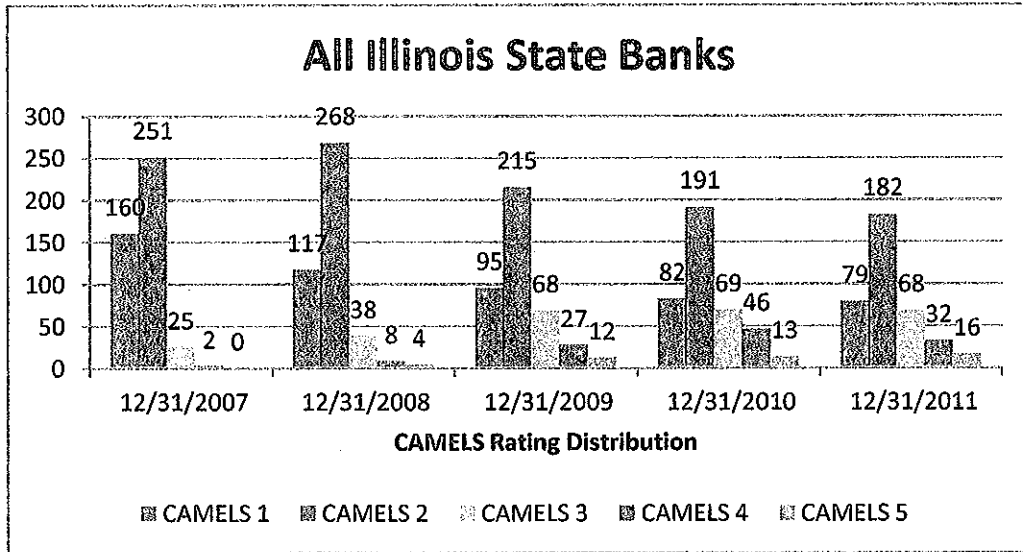
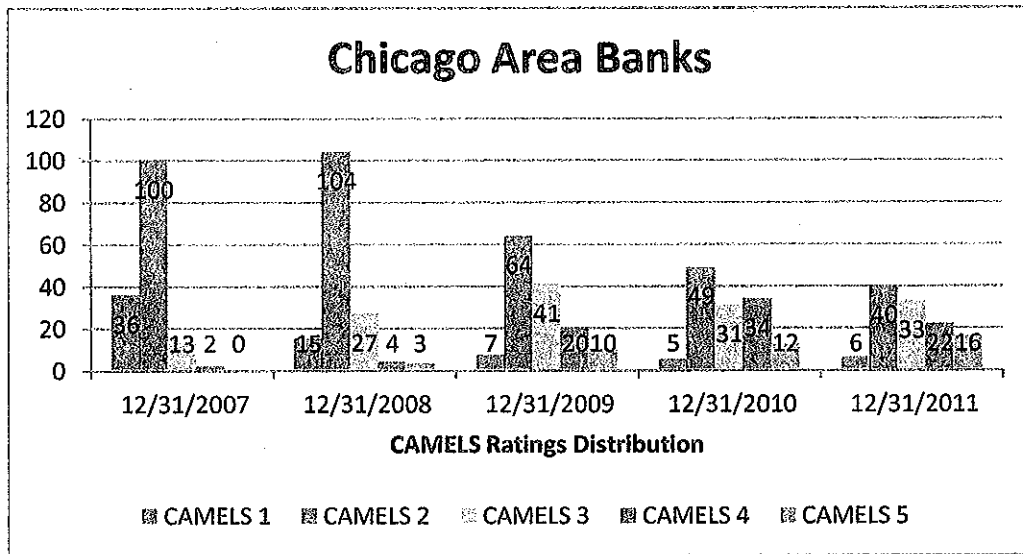
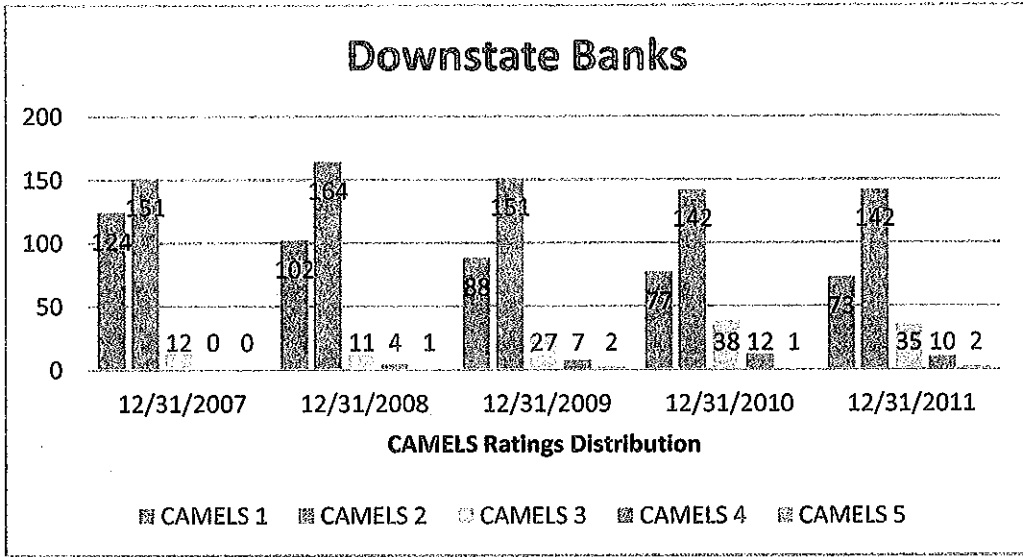
Number of Banks	157	155	143	134	118
Total Assets in Millions	137091	160938	159198	154195	181821

### All Illinois State Banks



Number of Banks	444	437	418	404	382
Total Assets in Millions	179102	206403	206344	202921	232488





## 2011 LEGISLATIVE SUMMARY

What follows is a brief summary of the most recent legislative achievements of the Illinois General Assembly, relating to the activities of the Division of Banking and other measures that may affect financial institutions, including new laws regarding identity theft. The Assembly passed the following 18 bills in this category into law:

### **NOTICE OF MANDATORY RADON TESTING**

**Public Act 97-021 (House Bill 141)** -Amends the Illinois Radon Awareness Act to require lessors of real property (dwelling units below the third story above ground level) to notify in writing any potential new lessee of the existence of a radon hazard if the current or prior lessee has notified the lessor in writing of radon test results indicating a radon hazard. If the lessor conducts his/her/its own radon test revealing the existence of a radon hazard, the lessor must disclose the existence of the radon hazard in writing to the current lessee and to any potential new lessee; if the lessor undertakes radon hazard mitigation efforts and a subsequent radon test shows that the radon hazard no longer exists, then the lessor is no longer obligated to make the disclosure. Nothing in this legislation exempts financial institution creditors that become lessors through ownership of OREO with tenants. Expressly states that the lessor has no affirmative obligation to conduct radon testing. (effective date: January 1, 2012)

### **REPEAL – TORRENS ACT**

**Public Act 97-0118 (House Bill 1379)** Repeals the Torrens Act regarding registration of lands January 1, 2014; the Torrens Act was previously scheduled for repeal on July 1, 2037. (effective date: January 1, 2012)

### **S.A.F.E. ACT AMENDMENTS**

**P.A. 97-0143 (SB 1603)** Exempts persons or entities from the requirements of the Residential Mortgage License Act if they make or acquire residential mortgage loans with their own funds or for investment purposes without intent to make, acquire or resell more than 3 residential mortgage loans in a calendar year. To comply with the S.A.F.E. Act, an amendment was adopted to provide that the U.S. Department of Housing and Urban Development has final determination on exemptions to mortgage loan originator licensing. (effective date: July 14, 2011)

### **CRIMINAL CODE FORGERY AMENDMENT**

**P.A. 97-0231 (SB 2027)** Amends the Criminal Code to provide that a person commits forgery when, with intent to defraud, the person knowingly prepares a false document to defraud another. The Criminal Code as amended should be considered prior to the use of robo-signing or like practices. (effective date: January 1, 2012)

### **CRIMES AGAINST THE ELDERLY PENALTIES**

**P.A. 97-0482 (HB 1689)** Increases penalties and lowers monetary thresholds for financial exploitation crimes against elderly or disabled persons. (effective date: January 1, 2012)

## **CONSUMER DATA BREACH**

**P.A. 97-0483 (HB 3025)** Requires consumer data breach notices to include specific contact and other information on consumer reporting agencies and the Federal Trade Commission. Provides that the notice may be delayed pending law enforcement investigations, and requires data collectors to cooperate with the owner or licensee of personal information when a data breach occurs. Requirements include:

- Inclusion of a toll-free numbers and addresses for consumer reporting agencies, the Federal Trade Commission, and a provision guiding consumers to information sources on fraud alerts and security freezes [815 ILCS 530/10(a) & 815 ILCS 530/12];
- Cooperation standards for data collectors of personal information [815 ILCS 530/10(b)];
- Standard for disposal of materials containing personal information and related civil liabilities [815 ILCS 530/40].

(effective date: January 1, 2012)

## **BANKS, TRUSTS, AND SAVINGS INSTITUTIONS OMNIBUS AMENDMENTS**

**P.A. 97-0492 (HB 1651)** Enacts numerous thrift regulatory provisions, including liquidation procedures, conversion authority and hearing procedures, among other changes and regulations. Provides that all fees paid by thrifts and expenses associated with their regulation shall be paid from that fund. The legislation also provides the following:

- Creates the Savings Institutions Regulatory Fund [205 ILCS 105/7-19.2];
- Thrifts can merge with any insured depository institution [205 ILCS 105/6-16];
- Provides the Division Authority to enter into cooperative agreements with appropriate federal and out-of-state state regulatory agencies to conduct and otherwise perform any examination of a regulated entity [20 ILCS 3205/5(c-15)];
- Direction to deposit all funds collected pursuant to the Illinois Banking Act, the Corporate Fiduciary Act, the Illinois Bank Holding Company Act of 1957, and the Check Printer and Check Number Act into the Bank and Trust Company Fund [20 ILCS 3205/6(j)];
- New procedures to amend the articles of incorporation for thrifts [205 ILCS 205/8002.1];
- Appeals of the Secretary's regulatory decisions shall be made directly to court rather than to the Board of Savings Institutions [205 ILCS 205/9018.1 *et seq*];
- Increases the amount of securities trust companies are required to the Secretary to \$ 2 million (increased from \$ 1 million);
- Eliminates references to outdated committees including the Electronic Funds Transfer Advisory Committee, the Electronic Data Processing Advisory Committee and the Fiduciary Advisory Committee;

- Provides that the Director of Banking shall be chairman of the Board of Savings Institutions.

(effective date: January 1, 2012)

### **NOTARY PUBLIC ACT AMENDMENT**

P.A. 97-0508 Amends the Illinois Notary Public Act. Changes the definition of the term "financial institution" to include trust companies. All state chartered trust companies must comply with the Act. (effective date: August 23, 2011)

### **CONDOMINIUM FORECLOSURE AND EXPENSES**

P.A. 97-0535 (SB 1972) provides that a purchaser of a condominium unit at a judicial foreclosure sale, other than a mortgagee, who takes possession pursuant to a court order, or a purchaser who acquires title from a mortgagee, must pay the condo unit's share of common expenses and court costs that remain unpaid by the prior owner and which were incurred during the 6 months immediately before the filing of an action to collect assessments. (effective date: January 1, 2012)

### **STATE TREASURER INVESTMENT POLICY NOTICE**

P.A. 97-0537 (SB 2007) eliminates language requiring the State Treasurer to annually publish newspaper notices providing the Treasurer's investment policies for both the College Savings Pool and the Public Treasurer's Investment Pool. (effective date: August 23, 2011)

### **RESIDENTIAL PROPERTY TRANSFER**

P.A. 97-0555 ( HB 1153 ) creates the Illinois Residential Real Property Transfer on Death Instrument Act to enable an owner of residential real estate to transfer the property upon death through a revocable nontestamentary instrument, subject to various requirements. To qualify, the transfer on death instrument must: (1) contain the essential elements and formalities of a properly recordable *inter vivos* deed, and must be executed, witnessed and acknowledged in compliance with provision in the Act, (2) state that the transfer to the designated beneficiary is to occur at the owner's death, and (3) be recorded before the owner's death in the public records in the office of the recorder of the county or counties in which any part of the residential real estate is located. The failure to comply with any of these requirements will render the transfer on death instrument void and ineffective. (effective date: January 1, 2012)

### **RENTAL PROPERTY REPOSSESSION REQUIREMENTS**

P.A. 97-0575 (HB 1574) requires mortgagees who repossess rental property with five or more units to post a notice within 21 days at the primary entrance of each unit informing renters that the mortgagee is in possession of their security deposits, if such deposits were transferred to the mortgagee. (effective date: August 26, 2011)

### **COLLATERAL RECOVERY**

P.A. 97-0576 (SB 1306) creates the Collateral Recovery Act to license and allows for



the regulation collateral repossession agencies and recovery managers. Financial institutions and their employees are exempt from this Act to obtain such a license. However, the exemption does not cover contractual employees. (effective date: July 1, 2012)

### **APPRAISAL MANAGEMENT COMPANY LICENSURE**

**P.A. 97-0602 (SB 1539)** provides IDFPR the authority to license and regulate Appraisal Management Companies (AMCs) operating in Illinois. IDFPR also has the authority to set rules, including compensation rates, to align State of Illinois requirements with rules imposed by Dodd-Frank .. (effective date: August 26, 2011)

### **Amendments to Sections 13-12-125 and 13-12-135 of the Municipal Code of Chicago**

The City of Chicago, Illinois, enacted an ordinance requiring owners of vacant buildings to perform several tasks within 30 days of the building's vacancy. These tasks include: enclosing and securing the building; posting a sign on the building providing the owner's and his or her agent's contact information; acquiring substantial liability insurance for the building and; registering the vacant building with the Department of Buildings. Mortgagees are included in the definition of owner and are liable for violations of the ordinance.

On December 14, 2011 the Federal Housing Finance Agency ("FHFA") filed suit against the City of Chicago for the City's amendment to its vacant-buildings ordinance ("Ordinance"). In its complaint the FHFA alleges the Ordinance violates federal law, as well as Illinois state law, including the Illinois Mortgage Foreclosure Law. Specifically, the FHFA asserts the City's requirement that a mortgagee register and maintain vacant buildings is a violation of the IMFL. Pursuant to IMFL it is the mortgagor, not the mortgagee, who is entitled to possession of real estate prior to the entry of a judgment of foreclosure. [735 ILCS 5/15-1701(b)]. Thus, any mortgagee undertaking its duty in light of the ordinance is subject to civil liability for lock out and illegal possession.

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DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

TITLE 38: FINANCIAL INSTITUTIONS

CHAPTER II: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
OFFICE OF BANKS AND REAL ESTATE

PART 305

BANK BRANCHES AND SUBSIDIARIES

SUBPART A: GENERAL

Section  
305.10 Definitions

SUBPART B: BRANCHES

305.20 Procedure to Establish and Maintain a Bank Branch  
305.30 Acknowledgment by the Office of Banks and Real Estate (Repealed)  
305.40 Date a Branch is Established and Maintained (Repealed)

SUBPART C: SUBSIDIARIES

Section  
305.100 Procedure to Establish and Maintain a Subsidiary to Manage Real Estate Obtained  
in Satisfaction of Debt Previously Contracted

AUTHORITY: Implementing Sections 5(12) and 5(15) as authorized by Section 48(6) of the Illinois Banking Act [205 ILCS 5/5(12), 5(15) and 48(6)].

SOURCE: Adopted at 12 Ill. Reg. 11178, effective August 8, 1988; recodified from Chapter II, Commissioner of Banks and Trust Companies, to Chapter II, Office of Banks and Real Estate, pursuant to P.A. 89-508, at 20 Ill. Reg. 12645; amended at 21 Ill. Reg. 8367, effective June 24, 1997; amended at 35 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

SUBPART A: GENERAL

**Section 305.10 Definitions**

"Act" means the Illinois Banking Act [205 ILCS 5].

"Appropriate federal banking agency" means the Federal Deposit Insurance

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NOTICE OF PROPOSED AMENDMENTS

Corporation, the Federal Reserve Bank of Chicago or the Federal Reserve Bank of St. Louis.

"Controlling Interest" means at least 50% plus 1 share or more than 50% membership interest for a limited liability company.

"Debt Previously Contracted" means real estate, including capitalized and operating leases, acquired by a state bank through any means in full or partial satisfaction of a debt.

"Department" means the Department of Financial and Professional Regulation.

"Director" means the Director of the Division of Banking with the authority delegated by the Secretary.

"Division" means the Department of Financial and Professional Regulation-Division of Banking with the authority delegated by the Secretary.

"Eligible bank" means a state bank as defined by 38 Ill. Adm. Code 380.2:

"Notice" means a copy of the state bank's written notice pursuant to 205 ILCS 5/5(12).

~~"Office" means the Office of Banks and Real Estate.~~

"Secretary" means the Secretary of the Department of Financial and Professional Regulation.

"State bank" means a bank that has a banking charter issued under the Act.

(Source: Amended at 35 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

SUBPART B: BRANCHES

**Section 305.20 Procedure to Establish and Maintain a Bank Branch**

A state bank that is not an eligible bank as defined in Section 305.10 and that seeks seeking to establish and maintain a bank branch inside the United States or any state bank that seeks to establish a branch outside the United States must file a Notice with the Division Office of Banks

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DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

and Real Estate not less than 30 calendar days before the bank enters into any contract or expends funds on a temporary or permanent branch facility ~~branch begins doing business.~~

(Source: Amended at 35 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

SUBPART B: SUBSIDIARIES

**Section 305.100 Procedure to Establish and Maintain a Subsidiary to Manage Real Estate Obtained in Satisfaction of Debt Previously Contracted**

A state bank, that seeks to establish and maintain a subsidiary in order to manage, market, and dispose of real estate obtained in satisfaction of debt previously contracted, may establish a subsidiary upon mailing of notice of intent to establish a subsidiary to the Division pursuant to Section 5 (12) of the Act when the bank has a controlling interest in the subsidiary. Once mailed, the notice is deemed received by the Department.

(Source: Added at 35 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**[DFPR Division of Banking, Bureau of Banks, Trust Companies, and Savings Institutions -- Proposed Rulemaking: 38 IAC 370, 380, 385, 392, and 398]**

**[38 IAC 370]**

- 1) Heading of Part: Corporate Applications for Banks and Corporate Fiduciaries
- 2) Code Citation: 38 Ill. Adm. Code 370
- 3) 

<u>Section</u>	<u>Proposed Action</u>
Heading	Amendment
370.10	Amendment
370.20	Amendment
370.30	Amendment
370.60	Amendment
- 4) Statutory Authority: Division of Banking Act (20 ILCS 3205) and Savings Bank Act (205 ILCS 205)
- 5) Complete Description of the Subjects and Issues Involved: For ease of reference, rules for application fees and conditions for savings banks under the Savings Bank Act, which are supervised by the Department of Financial and Professional, Division of Banking, Bureau of Banks, Trust Companies, and Savings Institutions, are moved to this part of this title. These rules are now at Part 1075, Subpart A, of this title. Changes to the fees and conditions for savings bank applications are also made.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other rulemakings pending on this Part? No
- 11) Statements of Statewide Policy Objectives: The proposed amendments do not require expenditures by units of local government.
- 12) Time, place and manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days to:

[fill-in w/ contact info]

The Department will consider all written comments it receives during the first notice period as required by Section 5-40 of the Illinois Administrative procedure Act [5 ILCS 111/5-40].

- 13) Initial Regulatory Flexibility Analysis: None
- A) Types of small business, small municipalities and not-for-profits corporations affected: state chartered savings banks
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2012

**TITLE 38: FINANCIAL INSTITUTIONS**  
**CHAPTER II: DEPARTMENT OF FINANCIAL AND PROFESSIONAL**  
**REGULATION**  
**PART 370 CORPORATE APPLICATIONS FOR BANKS, SAVINGS BANKS**  
**AND CORPORATE FIDUCIARIES**

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**Section 370.10 Purpose and Scope**

This Part prescribes certain fee schedules and guidelines for the processing of corporate applications required by the Illinois Banking Act [205 ILCS 5], the Savings Bank Act [205 ILCS 205], the Corporate Fiduciary Act [205 ILCS 620], the Foreign Banking Office Act [205 ILCS 645], the Foreign Bank Representative Office Act [205 ILCS 650], and the rules prescribed in accordance with those Acts.

**Section 370.20 Definitions**

"Division" means the Department of Financial and Professional Regulation-  
Division of Banking Banks and Real Estate.

"Director" means the Director of the Division ~~of Banks and Real Estate~~.

**Section 370.30 Fee Schedule; Administration of Corporate Application Fees**

- a) Fees shall be submitted to the Division at the time of submission of any application or notice. All fees filed in connection with an application or

notice are nonrefundable, regardless of whether the application or notice is ultimately approved, denied, withdrawn, or abandoned.

- b) While certain fees are set by statute and paid on a regular, cyclical basis, others are "fees for service" and are billed as the services are provided. Pursuant to Section 48(3)(f) of the Illinois Banking Act, Section 9002(6) of the Savings Bank Act, Section 5-10 of the Corporate Fiduciary Act, Section 17 of the Foreign Banking Office Act, and Section 4 of the Foreign Bank Representative Office Act, the Director has set the following as fees for corporate activities and applications:

**DOMESTIC COMMERCIAL BANKS**

Application for a Permit to Organize a State Bank (pursuant to 20 ILCS 3205/5, 205 ILCS 5/9 and 10, and 12 USC 1815(a) and 1816)	\$10,000
Application for Approval of an Interim Bank Merger (pursuant to 20 ILCS 3205/5 and 205 ILCS 5/10, 13.5 and 22)	\$ 2,000
Application for a Permit to Organize a State Bank and a Purchase and Assumption or Merger – Section 31 (pursuant to 20 ILCS 3205/5, 205 ILCS 5/9, 10, and 31)	\$ 500
Application for Purchase and Assumption – Section 31 (pursuant to 205 ILCS 5/31 and 12 CFR 325.103)	No Fee
Application for Merger – Section 31 (pursuant to 205 ILCS 5/31 and 12 CFR 325.103)	No Fee
Application for Approval of a Merger – Affiliated Entities (per merging institution) (pursuant to 20 ILCS 3205/5 and 205 ILCS 5/10, 22, 27, and 29)	\$ 2,000
Application for Approval of a Merger – Non-Affiliated Entities (per merging institution) (pursuant to 20 ILCS 3205/5 and 205 ILCS 5/10, 22, 27, and 29)	\$ 4,000
Application for Approval to Convert to a State Bank (pursuant to 20 ILCS 3205/5 and 205 ILCS 5/10, 25, 26, and 27)	\$ 1,000

Notice of Change in Control (pursuant to 20 ILCS 3205/5, 205 ILCS 5/18, 205 ILCS 10/3.02, and 12 USC 1817(j))	\$ 1,500
Change in Director or Senior Executive Officer (pursuant to 20 ILCS 3205/5 and 205 ILCS 5/10 and 13)	\$ 100
Application to Reduce Number of Bank Directors (pursuant to 205 ILCS 5/16 and 38 Ill. Adm. Code 357.10)	\$ 200
Application to Purchase Treasury Stock (pursuant to 205 ILCS 5/14)	\$ 200
Notice of Intent to Establish a Bank Branch (pursuant to 38 Ill. Adm. Code 305.10 and 305.20 and 12 USC 1828(d))	\$ 250
Notice of Intent to Establish a Bank Subsidiary or Acquire Stock in a Corporation (pursuant to 205 ILCS 5/48(2)(a))	\$ 250
Application for Relocation of Main Banking Premises (pursuant to 205 ILCS 5/13)	\$ 250
Conversion of an Illinois Trust Company into a State Bank (pursuant to 20 ILCS 3205/5, 205 ILCS 5/10, 29, and 30)	\$ 5,000
Certification of Charter (pursuant to 205 ILCS 5/48(3)(e))	\$ 100
Application to Reduce the Number of Authorized Board Meetings (pursuant to 205 ILCS 5/16)	\$ 100
Reverse Stock Split (pursuant to 205 ILCS 5/17(8))	\$ 1,000
Charter Amendments Other Than Reverse Stock Splits (pursuant to 205 ILCS 5/17)	\$ 500
Certificate of Corporate Existence (pursuant to 205 ILCS 5/48(3)(e))	\$ 100
Application for a Certificate of Authority Pursuant to Section 21.4 of the Illinois Banking Act (pursuant to 205 ILCS 5/21.4)	\$ 250



SAVINGS BANKS

<u>Application for Permit to Organize</u> <u>(Section 3001 of the Act).....</u>	<u>\$ 10,000</u>
<u>Application For approval of an Interim Charter</u> <u>(Section 8011 of the Act)</u>	<u>\$ 2,000</u>
- <u>Application for Merger (per institution)</u> <u>(Section 8005 of the Act).....</u>	<u>\$ 2,000</u>
- <u>Application for Sale of Assets</u> <u>(Section 8010 of the Act).....</u>	- <u>\$ 1,000</u>
<u>Application for Approval to Convert to a Savings Bank</u> <u>(Section 8012 of the Act – federal associations no fee)</u>	<u>\$ 1,000</u>
<u>Application for Conversion from Savings Bank Charter to any Federal Charter</u> <u>(Section 8016 of the Act).....</u>	- <u>One times the</u> <u>annual Superv</u> <u>calculated and</u> <u>against the Sav</u> <u>Bank as set fo</u> <u>Section 1075.1</u> <u>and (b).</u>
<u>Administrative Hearing – Each party shall bear a pro rata share of all expenses</u> <u>incurred in said proceedings.</u>	-
<u>Application for Subsidiary Acquisition Fee</u> <u>(Section 2004 of the Act).....</u>	- <u>\$ 250</u>
- <u>Application for Conversion from Mutual to Capital Stock Form of Ownership</u> <u>(Section 5004 of the Act) (Subpart O of this Part).....</u>	- <u>\$10,000</u>
- <u>Application for Acquisition of Control of a Savings Bank</u>	- <u>\$500</u>

(Sections 8015 of the Act) (Subpart N of this Part).....

-

Holding Company Registration Fee  
(Section 2002 of the Act)..... -  
\$1,000

-  
Application for Subsidiary Acquisition Fee, Illinois Savings Bank Holding  
Company  
(Section 2004 of the Act)..... -  
\$1500

-  
Applications related to mutual holding company transactions: -

-  
1) Mutual Holding Company Reorganization with resulting savings bank  
stock offered to party other than the mutual holding company  
(Section 2007 of the Act)..... -  
\$10,000

-  
2) Mutual Holding Company Reorganization with no resulting savings bank  
stock offered to any party except the mutual holding company  
(Section 2007 of the Act)..... -  
\$ 3,000

-  
3) Subsequent Offerings: -

-  
- A) First offering of resulting savings bank stock to a party other  
than the mutual holding company after reorganization described  
in subsection (m)(2) of this Section..... -  
\$ 7,000

-  
- B) All other offerings to a party other than the mutual holding  
company..... -  
\$ 1,000

-  
4) Conversion of Mutual Holding Company to Stock Holding Company  
(Section 2007 of the Act)..... -  
\$10,000

-

<u>Application for approval of amendment of articles of incorporation other than reverse stock split</u> (Sections 8001 and 8002 of the Act) .....	\$500
<u>Reverse stock split</u> (Section 8003 of the Act).....	\$1000
<u>Notice of Establishment or Closure of a Branch Office.....</u>	\$250
<u>Application for Approval of Establishment of a Service Corporation..</u>	\$250
<u>Notice of Relocation of Main Office.....</u>	\$250
<u>Certificate of Corporate Existence .....</u>	\$100
<u>Certification of Charter</u>	\$100
<u>Charter Amendments other than Reverse Stock Splits</u>	\$500

FIDUCIARY ACTIVITIES

Application to Form an Illinois Trust Company (pursuant to 20 ILCS 3205/5, 205 ILCS 620/2-5 and 2-6)	\$ 8,000
Application to Exercise Fiduciary Powers for State Banks, Savings and Loan Associations, State Savings Banks, and Foreign Banking Offices (pursuant to 20 ILCS 3205/5, 205 ILCS 620/2-5 and 2-6)	\$ 1,500
Application to Amend a Certificate of Authority to Accept and Execute Trusts for State Banks, State Savings and Loan Associations, State Savings Banks, and Foreign Banking Offices (pursuant to 20 ILCS 3205/5, 205 ILCS 620/2-5 and 2-6)	\$ 250
Application for Approval of a Change in the Control of a Corporate Fiduciary (pursuant to 20 ILCS 3205/5 and 205 ILCS 620/3-2)	\$ 1,500
Application for Approval of the Purchase of Substantially All the Trust Assets or the Assumption of Substantially All the Trust Liabilities of an Illinois Trust Company (pursuant to 20 ILCS 3205/5 and 205 ILCS 620/3-2 and 7-1)	\$ 1,500

Application to Establish a Corporate Fiduciary Branch Office by an Illinois Trust Company (pursuant to 205 ILCS 620/1-7 and 38 Ill. Adm. Code396)	\$ 250
Notice of Intent to Establish a Corporate Fiduciary Branch Office by a Bank, Savings and Loan Association, or Savings Bank (pursuant to 205 ILCS 620/1-7 and 38 Ill. Adm. Code 396)	\$ 250
Application for Approval of a Corporate Fiduciary Merger (pursuant to 20 ILCS 3205/5 and 205 ILCS 620/2-6 and 3-1)	\$ 1,500
Application to Establish a Subsidiary of a Corporate Fiduciary (pursuant to 205 ILCS 620/1-7 and 5-1(h))	\$ 500
Application for a Certificate of the Authority to be Authorized as a Foreign Corporate Fiduciary in the State of Illinois (pursuant to 205 ILCS 620/4-2 and 4-5)	\$ 750
Application to Amend a Certificate of Authority of a Foreign Corporate Fiduciary to Authorize Additional Powers (pursuant to 205 ILCS 620/4-2 and 4-5)	\$ 250
Notice of Intent to Establish a Foreign Trust Office in Illinois (pursuant to 205 ILCS 620/4A-5)	\$ 750
Certified Copy of a Certificate of Authority or a Certificate of Corporate Existence (pursuant to 205 ILCS 5/48(3)(e))	\$ 100
CSBS Interstate Trust Activities Application:	
Representative Office in Host State	\$ 250
Full Service Branch in Host State	\$ 250
Trust Office in Host State	\$ 250

#### INTERNATIONAL BANKING

Application for License to Establish a Foreign Bank Representative Office (pursuant to 205 ILCS 650/4)	\$ 700
Foreign Bank Representative Office Annual License Fee (pursuant to 205 ILCS 650/4 and 38 Ill. Adm. Code 375.36)	\$ 300

Application for Certificate of Authority to Establish a Foreign Banking Office (pursuant to 205 ILCS 645/4 and 5)	\$ 8,000
Amendment of Certificate of Authority to Establish a Foreign Banking Office (pursuant to 205 ILCS 645/7 and 8)	\$ 500
Notice of Intent to Establish a Bank Branch – Foreign Banking Office (pursuant to 38 Ill. Adm. Code 305.10 and 305.20 and 12 USC 1828(d))	\$ 250
Certification of Certificate of Authority and License (pursuant to 205 ILCS 5/48(3)(e))	\$ 100
Certificate of Corporate Existence (pursuant to 205 ILCS 5/48(3)(e))	\$ 100

**Section 370.60 Request for Confidential Treatment**

- a) Under ~~the provisions of the Illinois Freedom of Information Act [5 ILCS 140], an application or notice filed with the Division is a public record and subject to disclosure, considered a public document and available to the public upon request.~~
- b) If an application or notice contains information that is
- 1) private information as defined by the Illinois Freedom of Information Act;
  - 2) a trade secret or commercial or financial information would likely result in substantial harm to the competitive position of the applicant;
  - 3) information of a personal nature would result in a clearly unwarranted invasion of personal privacy;
  - 4) otherwise is exempt from disclosure under the Illinois Freedom of Information Act; or
  - 5) prohibited from being disclosed under any applicable law;

the applicant may submit a request for confidential treatment. The request must be in writing and submitted with the application or notice and must discuss in detail the justification for confidential treatment. The justification must be provided for each response or exhibit for which confidential treatment is requested.

~~If the applicant is of the opinion that disclosure of commercial or financial information would likely result in substantial harm to the competitive position of the applicant or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy, a request for confidential treatment must be submitted in writing concurrently with the submission of the application or notice and must discuss in detail the justification for confidential treatment. The justification must be provided for each response or exhibit for which confidential treatment is requested.~~

- c) ~~The applicant's reasons for requesting confidentiality should demonstrate specifically that information is prohibited from being disclosed under any applicable law or rule or is exempt from disclosure under the Illinois Freedom of Information Actthe harm that would result from public release of the information.~~ A statement simply indicating that the information would result in competitive harm or that it is personal in nature is not sufficient. ~~An unsupported claim that disclosure would violate applicable law or rule the law or policy of another state~~ is not, in and of itself, sufficient to exempt information from disclosure. The applicant's demonstration that disclosure would cause competitive harm or would result in an unwarranted invasion of personal privacy must be sufficient to allow the Division to conclude that a Freedom of Information Act [5 ILCS 140] disclosure exemption (e.g., 5 ILCS 140/7(1)(b) or 5 ILCS 140/7(1)(g)) is applicable to the information for which confidential treatment is sought.
- d) Information for which confidential treatment is requested should be:
- 1) specifically referenced in the public portion of the application or notice by reference to the confidential section;
  - 2) separately bound; and
  - 3) labeled "Confidential".
- e) The applicant should follow this same confidentiality procedure when filing any supplemental information to the application.
- f) The Division will determine whether information submitted as confidential will be so regarded and, when practicable, will advise the applicant of any decision to make available to the public information labeled "Confidential". However, the Division, without prior notice to the applicant, may disclose or comment on any of the contents of the application in the approval issued by the Director in connection with the Division's decision on the application or notice.

**[38 IAC 380]**

- 1) Heading of Part: Eligible State Bank
- 2) Code Citation: 38 Ill. Adm. Code 380
- 3) 

<u>Section</u>	<u>Proposed Action</u>
Heading	Amendment
380.10	Amendment
380.20	Amendment
- 4) Statutory Authority: Division of Banking Act (20 ILCS 3205), Illinois Banking Act (205 ILCS 5), Savings and Loan Act of 1985 (205 ILCS 105), and Savings Bank Act (205 ILCS 205)
- 5) Complete Description of the Subjects and Issues Involved: For ease of reference and consistency of treatment with regard to alternating state-federal examination of financial institutions regulated by the Department of Financial and Professional, Division of Banking, Bureau of Banks, Trust Companies, and Savings Institutions, the scope of this part is expanded to include savings banks and associations. Changes are also made to reflect changes in Departmental organization.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other rulemakings pending on this Part? No
- 11) Statements of Statewide Policy Objectives: The proposed amendments do not require expenditures by units of local government.
- 12) Time, place and manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days to:

[fill-in contact info]

The Department will consider all written comments it receives during the first notice period as required by Section 5-40 of the Illinois Administrative procedure Act [5 ILCS 111/5-40].

- 13) Initial Regulatory Flexibility Analysis: None
- A) Types of small business, small municipalities and not-for-profits corporations affected: state chartered banks, savings banks and associations
  - B) Reporting, bookkeeping or other procedures required for compliance: None
  - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2012

**TITLE 38: FINANCIAL INSTITUTIONS**  
**CHAPTER II: DEPARTMENT OF FINANCIAL AND PROFESSIONAL**  
**REGULATION OFFICE OF BANKS AND REAL ESTATE**  
**PART 380 ELIGIBLE STATE BANK FINANCIAL INSTITUTION**

**Section 380.10 Purpose**

Under Section 48(2)(a) of the Illinois Banking Act [205 ILCS 5/48(2)(a)], Section 7-5 of the Illinois Savings and Loan Act of 1985 [205 ILCS 105/7-5(a)], and Section 9004(a) of the Savings Bank Act [205 ILCS 205/9004(a)], the Secretary in lieu of his or her examination may, but is not required to, accept on an alternating basis the examination of made by the eligible state financial institution's appropriate federal banking agency. The purpose of this Part is to define "eligible state financial institution" and related terms. Section 48(2)(a) of the Illinois Banking Act [205 ILCS 5/48(2)(a)] requires the Commissioner to examine, at least once within each time period specified in the Act, the affairs of every state bank, except that an examination conducted by an eligible state bank's appropriate federal banking agency may suffice as a substitute for the Commissioner's own examination during alternating time periods, provided the appropriate federal banking agency has made such an examination. The purpose of this Part is to define "eligible state bank" in a manner that enables identification of those state banks for which an examination conducted by the appropriate federal banking agency may be acceptable in lieu of the Commissioner's own examination on an alternating basis.

(Source: Amended at 21 Ill. Reg. 8380, effective June 24, 1997)

**Section 380.20 Definitions**

"Appropriate federal banking agency" means the Federal Deposit Insurance Corporation, the Federal Reserve Bank of Chicago or the



Federal Reserve Bank of St. Louis, as determined by federal law (12 U.S.C. 1813(q)).

"CAMELS Rating" means the rating assigned to a state financial institution bank by the Commissioner or by the state financial institution's bank's appropriate federal banking agency, based on a composite evaluation of the following six individual performance components: Capital, Asset Quality, Management, Earnings, Liquidity and Sensitivity to Market Risk. The CAMELS Rating, and the rating assigned to each individual performance component, will be assigned a number from a range of 1 through 5, with 1 being the highest possible rating and 5 being the lowest possible rating.

~~"Commissioner" means the Illinois Commissioner of Banks and Real Estate or a person authorized by the Commissioner to act in the Commissioner's stead.~~

"Eligible state financial institution" ~~"Eligible state bank"~~ means a state financial institution for which the Secretary in lieu of his or her examination may, but is not required to, accept on an alternating basis the examination of made by the state financial institution's appropriate federal banking agency and an Illinois state bank that, at its last regular examination, was assigned a CAMELS Rating of 1 or a CAMELS Rating of 2, with no more than one individual performance component rated 3; provided, however, that the management performance component must be rated 1 or 2, and no individual performance component may be rated 4 or 5; except that, unless otherwise determined by the Secretary Commissioner, the following shall not be an eligible state financial institution bank:

A newly chartered state financial institution bank, for the first three years after receiving its charter;

A state financial institution bank that results from the merger of a state financial institution bank with a financial institution other than a state financial institution bank, for the first examination period after such merger;

A state financial institution bank that results from the merger of a state financial institution bank with another state financial institution bank which was assigned a CAMELS Rating of 3, 4 or 5 at its last regular examination, for the first examination period after such merger;

A state financial institution bank that results from the conversion of a financial institution other than a state financial institution bank, for the first examination period after the conversion;

A state financial institution bank that has undergone a change of control pursuant to Section 18 of the Illinois Banking Act, Section 7-7 of the Illinois Savings and Loans Act of 1985, or Section 8015 of the Savings Bank Act, as the case may be, which results in new ownership or control of more than 50% of the outstanding voting stock of the state financial institution bank, for the first examination period after the change of control;

~~A state bank whose management or board of directors has requested an examination by the Commissioner;~~

A state financial institution bank, that in the opinion of the Secretary Commissioner, is:

operating in an unsafe manner;

operating in an unsound condition;

conducting its business in violation of applicable laws, rules or regulations; or

conducting its business in a fraudulent manner;

A state financial institution bank concerning which the appropriate federal banking agency has communicated to the Secretary Commissioner that such federal banking agency will not alternate in conducting examinations of the particular financial institution bank or class of financial institutions banks; and

A state financial institution bank that is subject to an administrative order or other regulatory or enforcement action issued by the Secretary Commissioner or the appropriate federal banking agency.

"Examination period" means the time frame within which the Secretary Commissioner must conduct a regular examination of each state financial institution bank pursuant to Section 48(2) of the Illinois Banking Act, Section 7-5 of the Illinois Savings and Loan Act of 1985, or Section 9004 of the Savings Bank Act, as applicable.

"Regular examination" means a full scope, on-site examination of a state bank conducted by the Secretary Commissioner or by the state financial

institution's bank's appropriate federal banking agency within each examination period.

“Secretary” means the Secretary of Financial and Professional Regulation or a person authorized by the Secretary to act in the Secretary’s stead.

“State financial institution” means a state bank chartered under the Illinois Banking Act [205 ILCS 5], an association chartered under the Illinois Savings and Loan Act of 1985 [205 ILCS 105], and a savings bank chartered under of the Savings Bank Act [205 ILCS 205].

(Source: Amended at 21 Ill. Reg. 8380, effective June 24, 1997)

**[38 IAC 385]**

- 1) Heading of Part: Rules Governing the Request for Reconsideration of Examination Findings
- 2) Code Citation: 38 Ill. Adm. Code 385
- 3)

<u>Section</u>	<u>Proposed Action</u>
Heading	Amendment
385.20	Amendment
385.30	Amendment
385.50	Amendment
385.60	Amendment
385.70	Amendment
- 4) Statutory Authority: Division of Banking Act (20 ILCS 3205), Illinois Banking Act (205 ILCS 5), Savings and Loan Act of 1985 (205 ILCS 105), and Savings Bank Act (205 ILCS 205)
- 5) Complete Description of the Subjects and Issues Involved: For ease of reference and consistency of treatment with regard to requests for reconsideration of examination findings by financial institutions regulated by the Department of Financial and Professional, Division of Banking, Bureau of Banks, Trust Companies, and Savings Institutions, the scope of this part is expanded to include savings banks and savings associations. Changes are also made to reflect changes in Departmental organization.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other rulemakings pending on this Part? No
- 11) Statements of Statewide Policy Objectives: The proposed amendments do not require expenditures by units of local government.
- 12) Time, place and manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days to:

The Department will consider all written comments it receives during the first notice period as required by Section 5-40 of the Illinois Administrative procedure Act [5 ILCS 111/5-40].

- 13) Initial Regulatory Flexibility Analysis: None
- A) Types of small business, small municipalities and not-for-profits corporations affected: state chartered banks, savings banks and associations
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2012

**TITLE 38: FINANCIAL INSTITUTIONS**  
**CHAPTER II: DEPARTMENT OF FINANCIAL AND PROFESSIONAL**  
**REGULATION OFFICE OF BANKS AND REAL ESTATE**  
**PART 385 ~~RULES GOVERNING THE REQUEST FOR RECONSIDERATION~~**  
**OF EXAMINATION FINDINGS**

**Section 385.20 Definitions**

“Assistant Director” means the Assistant Director of the Illinois Department of Financial and Professional Regulation, Division of Banking, Bureau of Banks, Trust Companies, and Savings Institutions.

~~“Assistant Commissioner” means the Assistant Commissioner of Banks and Real Estate, Bureau of Banks and Trust Companies.~~

~~“Commissioner” means the Commissioner of Banks and Real Estate or a person authorized by the Commissioner, the Office of Banks and Real Estate Act [20 ILCS 3205], or the Illinois Banking Act [205 ILCS 5].~~

~~“Chief Counsel” means the individual appointed by the Commissioner to serve as the Chief Counsel to the Office of Banks and Real Estate, Bureau of Banks and Trust Companies, or his or her delegated representative.~~

“Deputy General Counsel” means the person appointed to serve as Deputy General Counsel of the Illinois Department of Financial and Professional Regulation, Division of Banking, or his or her designated representative.

“Director” means Director of the Illinois Department of Financial and Professional Regulation, Division of Banking or a person authorized by the Director, the Division of Banking Act [20 ILCS 3205], the Illinois Banking Act [205 ILCS 5], the Illinois Savings and Loan Act of 1985 [205 ILCS 105], or the Savings Bank Act [205 ILCS 205].

“Division” means Illinois Department of Financial and Professional Regulation, Division of Banking.

~~“Division Director” means the individual appointed by the Commissioner to directly manage and supervise the examination and regulation of specific Regulated Financial Institutions. Division Directors include, but are not limited to, the Administrator of Pawnbroker Regulation; the Director of Commercial Bank Supervision Springfield; the Director of Commercial Bank Supervision Chicago; the Director of International Bank Supervision; and the Director of Specialized Activities Supervision.~~

“Manager” means the person appointed by the Director to directly manage and supervise Regulated Financial Institutions, or his or her designated representative. Managers include, but are not limited to, the Administrator of Pawnbroker Regulation; the Managers of Bank and Savings Institution Supervision; the Manager of Fiduciary Activities; and Managers of Information Technology.

"Material Supervisory Determinations" include, but are not limited to, material determinations related to UFIRS Ratings assigned to a State bank, ~~association or savings bank~~; ROCA/ROC Ratings assigned to a Foreign Banking Office or Foreign Banking Representative Office; UTRS Ratings assigned to a corporate fiduciary; and URSIT Ratings assigned to Information Technology; the adequacy of loan reserve provisions; loan classifications; and findings resulting from an examination of a pawnshop.

"ROCA/ROC Rating" means the rating assigned to a Foreign Banking Office and a Foreign Bank Representative Office, respectively, by the ~~Director Commissioner~~ based upon a composite evaluation of the following performance components: Risk Management; Operational Controls; Compliance; and Asset Quality. The rating assigned to each individual performance component will be assigned a range of 1 through 5, with 1 being the highest possible rating and 5 being the lowest possible rating.

"Regulated Financial Institution" means a pawnshop, bank, ~~association~~, ~~savings bank~~, corporate fiduciary, foreign banking office, foreign bank representative office, or a subsidiary, affiliate, ~~intermediate or ultimate holding company or parent company~~, or contractual service provider of

the bank, association or savings bank, corporate fiduciary, foreign banking office, or foreign bank representative office, subject to examination by the Director Commissioner.

"UFIRS Rating" means the rating assigned to a State bank by the Director Commissioner based upon a composite evaluation of the following six individual performance components of the Uniform Financial Institutions Rating System: Capital; Asset Quality; Management; Earnings; Liquidity; and Sensitivity to Market Risk. The UFIRS Rating and the rating assigned to each individual performance component will be assigned a range of 1 through 5, with 1 being the highest possible rating and 5 being the lowest possible rating.

"UITRS Rating" means the rating assigned to a corporate fiduciary by the Director Commissioner based upon a composite evaluation of the following performance components of the Uniform Interagency Trust Rating System: Management; Operations, Internal Controls and Auditing; Earnings; Compliance; and Asset Management. The rating assigned to each individual performance component will be assigned a range of 1 through 5, with 1 being the highest possible rating and 5 being the lowest possible rating.

"URSIT Rating" means the rating assigned to a Regulated Financial Institution's information systems by the Director Commissioner based upon a risk evaluation of the following components of the Uniform Rating System for Information Technology: Audit; Management; Development and Acquisition; and Support and Delivery. The rating assigned to each individual performance component will be assigned a range of 1 through 5, with 1 being the highest possible rating and 5 being the lowest possible rating.

### **Section 385.30 Request for Reconsideration**

A Regulated Financial Institution may submit a request for a reconsideration of a Material Supervisory Determination (request for reconsideration) with respect to any Material Supervisory Determination but it first should make a good faith effort to resolve the dispute with the examiner in charge ~~Examiner in Charge~~ either during the course of the examination or as soon as possible following completion of the examination. Although ~~an informal~~ resolution of the dispute over the Material Supervisory Determination with the examiner in charge is encouraged, it is not a condition of filing a request for reconsideration. A request for reconsideration shall be initiated no later than 45 calendar days from the receipt of a final report of examination ~~Final Report of Examination~~, unless the time is extended at the discretion of the Director Commissioner. The board of directors of a bank, savings bank, association, corporate fiduciary, or incorporated business entity, the local management of a foreign banking organization, or senior

management in the case of an unincorporated business entity shall approve any request for reconsideration. Any request for reconsideration shall be in writing and shall be made to the Division Office of Banks and Real Estate to the attention of the appropriate Manager Division Director.

### **Section 385.50 Initial Reconsideration Review**

- a) The appropriate Manager Division Director shall consider the written request for reconsideration and all documents, evidence, and information submitted by the Regulated Financial Institution, provided that the documents, evidence, and information are limited to facts and circumstances that existed prior to or at the time of the Material Supervisory Determination. The Manager Division Director may also consider facts or circumstances that existed prior to or at the time of the Material Supervisory Determination but that may have been discovered or come to the attention of the Regulated Financial Institution after the Material Supervisory Determination.
- b) The appropriate Manager Division Director shall also consider documents, evidence, and information submitted or prepared by the Division examination staff, including but not limited to the final report of examination ~~Final Report of Examination~~ and any work papers associated with the final report of examination ~~Final Report of Examination~~. The documents, evidence, and information that the Manager Division Director may consider are limited to facts and circumstances that existed prior to or at the time of the Material Supervisory Determination. The Manager Division Director may consider facts or circumstances that existed prior to or at the time of the Material Supervisory Determination but that may have been discovered or come to the attention of the examination staff after the Material Supervisory Determination.
- c) The appropriate Manager Division Director shall prepare and deliver to the Regulated Financial Institution a written disposition of initial review within 30 calendar days from receipt by the Division Office of Banks and Real Estate of a request for reconsideration. The written disposition of initial review may sustain, modify, or overturn any Material Supervisory Determination.
- d) If the Manager Division Director conducted the examination that resulted in the Material Supervisory Determination that the Regulated Financial Institution is appealing, the initial review provided under this Section shall be waived. The written disposition of initial review shall direct the Regulated Financial Institution to proceed to a final review as provided in Section 385.60 of this Part.

### **Section 385.60 Final Review**



- a) If the Regulated Financial Institution disagrees with the Manager's ~~Division Director's~~ written disposition of initial review or if the initial review is waived pursuant to Section 385.50(d), it may seek a final review before the Assistant Director ~~Commissioner~~.
- b) Any request by a Regulated Financial Institution for final review of a Material Supervisory Determination shall be initiated no later than 15 calendar days from the receipt of the written disposition of initial review, unless the time is extended at the discretion of the Director ~~Commissioner~~. The Regulated Financial Institution's board of directors, local management, or senior management, as applicable, shall approve any request for final review of a Material Supervisory Determination. Any request for final review of a Material Supervisory Determination shall be in writing and shall be made to the Assistant Director ~~Commissioner~~.
- c) The Assistant Director ~~Commissioner~~ may select a final review panel consisting of Managers ~~Division Directors~~ and the Deputy General Counsel ~~Chief Counsel~~ or their designated representatives. In addition, the Assistant Director ~~Commissioner~~ may appoint others, including but not limited to examiners, attorneys, or outside experts, to sit on the final review panel. The Assistant Director ~~Commissioner~~ may also choose to sit on the final review panel. Neither the Manager ~~Division Director~~ responsible for the written disposition of initial review nor his designated representative shall be selected as a member of the final review panel. In addition, the Assistant Director ~~Commissioner~~ may not select as a member of the final review panel a Manager ~~Division Director~~ who conducted the examination that is the basis for the Material Supervisory Determination being appealed. If the Assistant Director ~~Commissioner~~ appoints a final review panel, the Assistant Director ~~Commissioner~~ shall notify the Regulated Financial Institution of the appointment and of the time frame within which the final review panel will make its recommendation and the Assistant Director ~~Commissioner~~ will act on it.
- d) The Assistant Director ~~Commissioner~~, or the final review panel if one is appointed, shall review all documents, evidence, and information considered in connection with the written disposition of initial review. Additional evidence, documents, or information not previously submitted may be reviewed at the discretion of the Assistant Director ~~Commissioner~~ or final review panel, if one is appointed, provided that the documents, evidence, and information that may be considered are limited to facts and circumstances that existed prior to or at the time of the Material Supervisory Determination. The provisions of this subsection are subject to the provisions of Section 48.3 of the Illinois Banking Act, Section 7-9 of the Illinois Savings and Loan Act of 1985, Section 9012 of the Savings

Bank Act, and Section 5-2 of the Corporate Fiduciary Act regarding confidential supervisory information.

- e) If the Assistant Director ~~Commissioner~~ appoints a final review panel, within 30 calendar days from the receipt by the Assistant Director ~~Commissioner~~ of a request for final review, that panel shall make a written recommendation to the Assistant Director ~~Commissioner~~ to sustain, modify, or overturn any Material Supervisory Determination.
- f) Within ~~60~~ 45 calendar days from the receipt of the written recommendation of the final review panel, the Assistant Director ~~Commissioner~~ shall provide written notification to the Regulated Financial Institution of his or her final decision related to the request for reconsideration. The Assistant Director ~~Commissioner~~ may accept, reject, or modify the recommendation received from the final review panel.
- g) If the Assistant Director ~~Commissioner~~ does not appoint a final review panel, within ~~60~~ 30 calendar days after his or her receipt of a request for final review, he or she shall provide written notification to the Regulated Financial Institution of his or her final decision to sustain, modify, or overturn the Material Supervisory Determination at issue.

#### **Section 385.70 Effect of Filing a Request**

A Material Supervisory Determination shall remain in effect while under review for reconsideration and until such time as it is ~~either~~ sustained, modified, or overturned. Any request for reconsideration shall not prevent the Director ~~Commissioner~~ from taking any supervisory or enforcement action he or she deems appropriate or necessary under any statutory provision.

**[38 IAC 392]**

- 1) Heading of Part: Hearings Before the Office of Banks and Real Estate Bureau of Banks and Trust Companies
- 2) Code Citation: 38 Ill. Adm. Code 392
- 3) 

<u>Section</u>	<u>Proposed Action</u>
Heading	Amendment
Subpart A	New Subpart Heading
392.10	Amendment
Subpart B	New Subpart Heading
392.300	New Section
392.310	New Section
392.320	New Section
392.330	New Section
392.340	New Section
392.350	New Section
392.360	New Section
392.370	New Section
392.380	New Section
392.390	New Section
392.400	New Section
392.410	New Section
392.420	New Section
392.430	New Section
392.440	New Section
392.450	New Section
392.460	New Section
392.470	New Section
392.480	New Section
392.490	New Section
392.500	New Section
392.510	New Section
392.520	New Section
392.530	New Section
392.540	New Section
392.550	New Section
392.560	New Section
392.570	New Section
392.580	New Section
392.590	New Section
- 4) Statutory Authority: Division of Banking Act (20 ILCS 3205) and Savings Bank Act (205 ILCS 205)

- 5) Complete Description of the Subjects and Issues Involved: For ease of reference, rules for hearings under the Savings Bank Act before the Department of Financial and Professional, Division of Banking, Bureau of Banks, Trust Companies, and Savings Institutions are moved to this part of this title. These rules are now at Part 1075, Subpart I, of this title. Changes to the hearing procedures for savings banks hearings are also made to make the Bureau hearing rules more uniform.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other rulemakings pending on this Part? No
- 11) Statements of Statewide Policy Objectives: The proposed amendments do not require expenditures by units of local government.
- 12) Time, place and manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days to:

The Department will consider all written comments it receives during the first notice period as required by Section 5-40 of the Illinois Administrative procedure Act [5 ILCS 111/5-40].

- 13) Initial Regulatory Flexibility Analysis: None
  - A) Types of small business, small municipalities and not-for-profits corporations affected: state chartered savings banks
  - B) Reporting, bookkeeping or other procedures required for compliance: None
  - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2012

**TITLE 38: FINANCIAL INSTITUTIONS  
CHAPTER II: OFFICE OF BANKS AND REAL ESTATE**

**PART 392 HEARINGS BEFORE THE DIVISION OF BANKING BUREAU OF BANKS, TRUST COMPANIES, AND SAVINGS INSTITUTIONS OFFICE OF BANKS AND REAL ESTATE BUREAU OF BANKS AND TRUST COMPANIES**

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**Section 392.10 Applicability**

Subpart A of this ~~This~~ Part, comprised of Sections 392.20 through 392.240 of this Part, shall apply to hearings conducted under the jurisdiction of the Department of Financial and Professional Regulation or the Secretary or Financial and Professional Regulation Office of Banks and Real Estate or the Commissioner of Banks and Real Estate pursuant to Section 48 of the Illinois Banking Act [205 ILCS 5/48], Section 20 of the Electronic Fund Transfer Act [205 ILCS 616/20], Section 5-1 of the Corporate Fiduciary Act [205 ILCS 620/5-1], Section 3.074(a)(4) of the Illinois Bank Holding Company Act of 1957 [205 ILCS 10/3.074], Section 6 of the Foreign Bank Representative Office Act [205 ILCS 650/6], Section 0.05 of the Pawnbroker Regulation Act [205 ILCS 510/0.05], Section 30 of the Check Printer and Check Number Act [205 ILCS 690/30], and Section 18 of the Foreign Banking Office Act [205 ILCS 645/18].

Subpart B of this Part, comprised of Section 392.300 through 392.590 of this Part, shall apply to hearings conducted under the jurisdiction of the Department of Financial and Professional Regulation or the Secretary of Financial and Professional Regulation pursuant to Section 9018 of the Savings Bank Act [205 ILCS 205/9018].

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**SUBPART A: HEARINGS UNDER ILLINOIS BANKING ACT, ELECTRONIC FUND TRANSFER ACT, CORPORATE FIDUCIARY ACT, ILLINOIS HOLDING COMPANY ACT, FOREIGN BANK REPRESENTATIVE OFFICE ACT PAWNBROKER REGULATION ACT, AND FOREIGN BANKING OFFICE ACT**

[Sections 392.20 through 392.240 (no changes)]

**SUBPART B: HEARINGS UNDER SAVINGS BANK ACT**

**Section 392.300 Applicability**

This Subpart B shall apply to all hearings conducted under the jurisdiction of the Director under the Section 9018 of the Savings Bank Act.

**Section 392.310 Definitions**

Words or terms that are defined in the Act shall retain the same meaning when used in this Part.

DRAFT DATE: December 28, 2011

“Act” means the Savings Bank Act [205 ILCS 205].

“Applicant” Savings bank or holding company or person whose application pending before the Director is the subject matter of the hearing.

“Department” means the Illinois Department of Financial and Professional Regulation.

“Director” means the Director of the Division.

“Division” means the Department of Financial and Professional Regulation-Division of Banking.

“Final administrative decision” means the decision and order issued by the Secretary under Section 1075.1035 of this Subpart.

“Hearing Officer” has the meaning ascribed to it by Section 9018.1 of the Act.

“Party” means the Secretary, a respondent, or an intervenor.

“Respondent” has the meaning ascribed to it by Section 9018.1 of the Act.

“Secretary” means the Secretary of Financial and Professional Regulation.

### **Section 392.320 Notice of Intent to Demand a Hearing**

The notice of intent to demand a hearing under Section 9018.1 of the Act shall be delivered in by hand or sent by certified mail, return receipt requested to the Director within ten (10) days after receipt of the decision, action or order with respect to which a hearing is demanded .

### **Section 392.330 Verified Complaint**

The verified complaint under Section 9018.1 of the Act shall be filed within thirty (30) days after receipt of the decision, action or order with respect to which a hearing is demanded. The verified complaint shall:

- 1) clearly state the name of the Respondent;
- 2) identify the decision, action or order with respect to which a hearing is demanded including an explicit admission, denial or appropriate response to each allegation or issue contained in such administrative decision;
- 3) be signed by the Respondent; and
- 4) be delivered in by hand or sent by certified mail, return receipt requested.

**Section 392.340 Filing**

a) Prior to appointment of a hearing officer, pleadings and other documents and requests permitted or required to be filed in connection with a hearing shall be addressed to and mailed to or filed with the Division's office in Springfield, in triplicate. The Division's Office is open for filing, inspection and copying of public documents from 8:30 a.m. to 5.00 p.m., Monday through Friday, except on national and State legal holidays. Upon appointment of a hearing officer, all pleadings or other documents and requests shall be submitted to the hearing officer. All documents shall be sent by certified mail, return receipt requested or delivered by hand.

b) Service of all pleadings and other documents or requests shall be made upon every party of record by hand delivery or by certified mail, return receipt requested. Service upon an agent of a party shall be deemed service upon the party.

c) Service of pleadings consistent with the Code of Civil Procedure [735 ILCS 5] requirements for personal service shall be deemed compliance with this Section. Notice of Hearing shall be served as described in Section 1075.945 of this Subpart.

**Section 392.350 Form of Documents**

a) All documents shall clearly show the title of the proceedings in connection with which they are filed.

b) Except as otherwise provided, three (3) copies of all documents including notices, motions and petitions, shall be filed with the Agency.

c) All documents shall be typewritten or reproduced from typewritten copy on 8 ½ x 11 inch size white paper.

d) One (1) copy of each document filed shall be signed by the party or by the party's authorized representative or attorney.

**Section 392.360 Computation of Time**

Computation of any time under this Subpart B shall begin with the first business day following the date of filing of the document pursuant to Section 392.340 of this Subpart B, and shall run until the end of the last day, or the next following business day if the last day is a Saturday, Sunday or national or state holiday. Where the time is five (5) days or less, Saturdays, Sundays and national or state holidays shall be excluded in the computation of time. Notice requirements shall be construed to mean notice received, but proof that notice was dispatched by means reasonably calculated to be received by the prescribed date shall be prima facie proof that notice was timely received.

**Section 392.370 Appearances**

a) Any person entitled to participate in proceedings may appear as follows:

1) a natural person may appear in that person's own behalf or by an attorney-at-law licensed to practice in the State of Illinois, or both;

2) a savings bank, association or other business, nonprofit or government organization, may appear by any bona fide officer, employee or representative, or may be represented by an attorney licensed to practice in the State of Illinois, or both.

b) An attorney appearing in a representative capacity shall file a written notice of appearance.

**Section 392.380 Notice of Hearing**

a) Upon a determination by the Secretary that the verified complaint sets forth facts which, if proved, would constitute grounds for a reversal or change of the administrative decision, the Secretary shall issue a Notice of Hearing at least ten (10) days prior to the date set for the hearing.

b) The Notice of Hearing shall set the date and location of the hearing, state the name and address of the hearing officer, and identify the matter of the hearing.

c) The hearing shall be held not earlier than fifteen (15) days nor later than thirty (30) days after the date of receipt of the verified complaint under Section 1075.915 of this Subpart.

**Section 392.390 Service of the Notice of Hearing**

Service shall be complete when the notice of hearing is served in person or deposited in the United States mail, postage prepaid, registered or certified, addressed to the last known address of the parties of record.

**Section 392.400 Motion and Answer**

a) Any party receiving a notice of hearing may file a motion not later than ten (10) days before the date of hearing.

b) Within five (5) days after service of a written motion, or such other period as the hearing officer may prescribe, a party may file a response in support of or in opposition to the motion, with affidavits or other evidence. If no response is filed, the parties shall be considered to have waived objection to the granting of the motion. The moving party shall have no right to reply, except as permitted by the hearing officer.

c) No oral argument will be heard on a motion unless the hearing officer directs otherwise. A written brief may be filed with a motion or an answer to a motion, stating the arguments and authorities relied upon.

d) A written motion will be disposed of by written order and on notice to all parties.



e) The hearing officer shall rule upon all motions, except that the hearing officer shall have no authority to dismiss or decide a hearing on the merits without granting all parties to the proceeding a right to be heard and to establish a record.

f) Unless otherwise ordered, the filing of an answer or motion shall not stay the proceeding or extend the time for the performance of any act.

g) A party may participate in the proceedings without forfeiting any jurisdictional objection, if such objection is raised at or before the time the party's initial filing or, if no such filing is made, before the commencement of the hearing.

### **Section 392.410 Consolidation and Severance of Matters-Additional Parties**

For convenient, expeditious and complete determination of matters, the hearing officer may consolidate or sever hearing proceedings involving any number of parties, and may order additional parties to be brought in. Consolidation may be appropriate, for example, in cases such as: when multiple parties assert the same claim(s), the same fact pattern(s), or the same legal right(s), or are in other aspects congruently situated. Severance, for example, may occur where there are multiple parties to whom the above-listed examples for consolidation do not apply, or who have interests adverse to one another.

### **Section 392.420 Intervention**

a) Upon timely written application, the hearing officer may permit any party to intervene in a hearing proceeding, subject to the necessity for conducting an orderly and expeditious hearing, when either of the following conditions are met:

1) when the party is so situated that said party may be adversely affected by a final order arising from the hearing; or

2) when a party's circumstances and the hearing proceeding have a question of law or fact in common.

b) Two (2) copies of a petition for intervention shall be filed not later than ten (10) days before the date set for hearing of the matters set forth in the notice of hearing. The hearing officer may permit later intervention when there is good cause for the delay.

c) An intervenor shall have all the rights of an original party, except that the hearing officer may, in his order allowing intervention, provide that the applicant and objector shall be bound by orders theretofore entered or by evidence theretofore received, that the applicant and objector shall not raise issues which might more properly have been raised at an earlier stage of the proceeding, that the applicant and objector shall not raise new issues or add new parties, or that in other respects the applicant and objector shall not interfere with the control of the hearing, as justice and the avoidance of undue delay may require.

**Section 392.430 Postponement or Continuance of Hearing**

A hearing may be postponed or continued for due cause by the hearing officer upon his or her own motion or upon motion of a party to the hearing; the motion of the party shall set forth facts attesting that the request for continuance is not for purposes of delay. Notice of any postponement or continuance shall be given in writing to all parties to the hearing within a reasonable time in advance of the previously scheduled hearing date. All parties involved in a hearing shall attempt to avoid undue delay caused by repetitive postponements or continuances so that the subject matter of the hearing may be resolved expeditiously.

**Section 392.440 Authority of Hearing Officer**

The hearing officer has the authority to conduct a hearing, take all necessary action to avoid delay, maintain order and ensure the development of a clear and complete record. The hearing officer shall have all powers necessary to conduct a hearing including the power to:

- a) administer oaths and affirmations;
- b) regulate the course of hearings, set the time and place for continued hearings, fix times for filing of documents and provide for the taking of testimony by deposition, if necessary;
- c) examine witnesses and direct witnesses to testify, limit the number of times any witness may testify, limit repetitious or cumulative testimony and set reasonable limits on the amount of time each witness may testify;
- d) rule upon offers of proof and receive relevant evidence in accordance with Section 10-40 of the Illinois Administrative Procedure Act [5 ILCS 100/10-40];
- e) sign and issue subpoenas that require attendance, giving testimony and the production of books, papers and other documentary evidence;
- f) direct parties to appear and confer for the settlement or simplification of issues, and to otherwise conduct prehearing conferences;
- g) dispose of procedural requests or similar matters;
- h) render the hearing officer's report pursuant to Section 1075.1030 of this Subpart;
- i) enter any order that further carries out the purpose of this Subpart B; and
- j) at the hearing officer's discretion, accept probative, relevant evidence from any entity.

**Section 392.450 Bias or Disqualification of Hearing Officer**

a) Any party may file a timely and sufficient affidavit setting forth allegations of personal bias, prejudice or disqualification of a presiding hearing officer. The Director shall determine this issue as part of the record of the case. When a hearing officer is disqualified, or it becomes impractical for that hearing officer to continue, another hearing officer may be assigned, unless it is further shown that substantial bias or prejudice will result from that assignment.

b) The hearing officer may at any time voluntarily disqualify him or herself.

**Section 392.460 Prehearing Conferences**

a) Upon written notice by the hearing officer in any proceeding, or upon written request by any party, the hearing officer may direct parties or their attorneys to appear at a specified time and place for a conference, before or during the hearing, to formulate issues and consider:

1) the simplification of issues;

2) the necessity or desirability of amending the pleadings for clarification, amplification or limitation;

3) the possibility of making admissions of certain averments of fact or stipulations concerning the use by either or both parties of matters of public record to avoid unnecessary introduction of proof;

4) the limitation of the number of witnesses;

5) the propriety of prior mutual exchange between or among the parties of prepared testimony and exhibits; and

6) other matters as may aid in the simplification of the evidence and disposition of the proceeding.

b) Opportunity shall be afforded all parties to be represented by legal counsel and to dispose of the case by stipulation, agreed settlement or consent order, unless otherwise precluded by law.

c) Only if all parties to a controversy agree, a record of the prehearing conferences shall be kept. It must be certified to by the parties, then filed with the case material in the Division files.

**Section 392.470 Discovery**

a) Any party, upon written request made to the other party, shall be entitled to:

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- 1) a list of the names and addresses of witnesses whom the other party intends to call to testify at the hearing; and
- 2) inspect all books, papers, accounts and documents which the party proposes to offer into evidence.

b) Evidence depositions may be ordered by the hearing officer upon a showing that, at the time of the hearing, the person deposed will not be available to participate in the hearing because of exceptional circumstances such as impending death, illness, imprisonment, or other hardship.

### **Section 392.480 Subpoenas**

- a) Upon written application to the hearing officer by any party, the hearing officer shall issue a subpoena requiring attendance of a witness having knowledge of relevant facts at a deposition or hearing and production of any relevant books, papers, accounts and documents at such deposition or hearing.
- b) Every subpoena shall state the title and docket number of the hearing and shall command each person to whom it is directed to:
  - 1) give testimony; or
  - 2) produce books, papers, accounts and documents at the time and place therein specified; or
  - 3) do both subsections (1) and (2) above.

### **Section 392.490 Conduct of the Hearing**

The following shall be the order of proceedings of all hearings, subject to modification by the Hearing Officer for good cause:

- a) presentation, argument and disposition of motions preliminary to a hearing on the merits of the matters raised in the administrative decision or verified complaint;
- b) presentation of agreed stipulations
- b) presentation of opening statements;
- c) Secretary's case in chief;
- d) Respondent's case in chief;
- e) Secretary's case in rebuttal;
- f) statements from interested citizens, if authorized by the Hearing Officer;

- g) Secretary's closing statement;
- h) Respondent's closing statement;
- i) Secretary's rebuttal statement
- j) presentation and argument of all motions prior to final order;
- k) presentation of written briefs pursuant to Section 392.550 of this Subpart B; and,
- l) filing of the Hearing Officer's report to the Secretary.

**Section 392.500 Default**

Failure of a party to appear on the date set for hearing, or failure to proceed as ordered by the hearing officer, shall constitute a default. The hearing officer shall thereupon render the hearing officer's report is appropriate under the pleadings and such evidence as he shall receive into his record.

**Section 392.510 Evidence**

The hearing officer shall receive evidence which is admissible under Section 10-40 of the Illinois Administrative Procedure Act [5 ILCS 100/10-40].

**Section 392.520 Official Notice**

Official notice may be taken of all facts of which judicial notice may be taken and of other facts, of a technical nature, within the specialized knowledge and experience of the Division.

**Section 392.530 Hostile Witnesses**

a) If the hearing officer determines that a witness is hostile or unwilling, such witness may be examined by the party calling said witness as if under cross-examination.

b) The party calling an occurrence witness, upon the showing that said party called the witness in good faith and is surprised by such witness's testimony, may impeach the witness by proof of prior inconsistent statements.

**Section 392.540 Transcription of Proceedings**

a) The hearing officer shall appoint a licensed court reporter to make a stenographic transcript of all hearings.

b) The record in a hearing shall include:

- 1) the items listed in Section 10-35 of the Illinois Administrative Procedure Act [5 ILCS 100/10-35]; and
-

- 2) the transcript of a hearing.
- c) The cost of any copy of the transcript requested by any party to the proceeding shall be borne by such party.
- d) The record shall be made available for examination by a party to the proceeding at the Division's offices in Springfield or Chicago.

**Section 392.550 Briefs**

The parties may submit written briefs to the hearing officer within 10 days after the close of the hearing, or such other reasonable time as the hearing officer shall determine consistent with the avoidance of undue delay.

**Section 392.560 Hearing Officer's Findings, Opinions and Recommendations**

- a) At the close of the hearing and after the disposition of all motions, the hearing officer may request the parties to submit proposed findings of fact, conclusions of law and proposed order in such form and in such sequence as the hearing officer may direct.
- b) The hearing officer's report shall be in writing and shall include proposed findings of fact, recommended conclusions of law, and proposed decision and order. Findings of fact shall be based exclusively on the evidence presented at the hearing or known to all parties, including matters officially noticed. Findings of fact, if set forth in statutory language, shall be accompanied by a statement of the underlying supporting facts. If a party submits proposed findings of fact which may control the decision or order, the decision or order shall include a ruling upon each proposed finding. Each conclusion of law shall be supported by authority or reasoned opinion. A decision or order shall not be made except upon consideration of the record as a whole or such portion thereof as may be supported by competent material and substantial evidence.
- c) The hearing officer shall then submit proposed findings, recommended conclusions of law, and proposed decision and order to the Secretary not later than thirty (30) days after the conclusion of the hearing.

**Section 392.570 Order of the Director**

- a) The Secretary shall review the hearing officer's report and issue a written decision and order which shall include the conclusions of law and findings of fact which the decision and order are based. The decision and order is the Secretary's final administrative decision.
- b) The decision and order in the case will become effective immediately upon the execution of the written order, or as otherwise specified by the order.
- c) Parties shall be immediately notified of the order, either personally or by mail, postage prepaid, certified or registered, addressed to the last known address of the parties

DRAFT DATE: December 28, 2011

involved. A copy of the order shall be delivered or mailed to each party and to the party's attorney of record.

d) The Secretary, pursuant to Section 1075.1050 of this Subpart, shall order each party to pay its share of the expense of the hearing.

**Section 392.580 Existing Statutory or Division Procedures and Practices**

This Subpart B shall not be construed to limit or repeal additional requirements imposed by statute or otherwise, or to change existing Division procedures that are equivalent to or exceed the standards or administrative procedure prescribed in this Subpart B.

**Section 392.590 Costs of Hearing**

Pursuant to Section 9018.1 of the Act and Section 1075.100 of this Part, each party to the hearing shall be required to pay an equal share of expenses of the hearing.

[38 IAC 398]

- 1) Heading of Part: Corporate Fiduciary Receivership Account
- 2) Code Citation: 38 Ill. Adm. Code 398
- 3) 

<u>Section</u>	<u>Proposed Action</u>
Heading	Amendment
398.10	Amendment
- 4) Statutory Authority: Division of Banking Act (20 ILCS 3205) and Corporate Fiduciary Act (205 ILCS 620)
- 5) Complete Description of the Subjects and Issues Involved: P.A. 97-492 amended Section 6-13.5 of the Corporate Fiduciary Act [205 ILCS 620/6-13.5] to increase from \$1 million to \$2 million the amount the Department may require a trust company to pledge to cover costs incurred in the event of a receivership. The rule is amended to reflect this increase. It is also amended to clarify that a trust company may combine a surety bond pledge and securities pledge to meet the \$ 2 million.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other rulemakings pending on this Part? No
- 11) Statements of Statewide Policy Objectives: The proposed amendments do not require expenditures by units of local government.
- 12) Time, place and manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days to:  
  
[fill-in contact info]  
  
The Department will consider all written comments it receives during the first notice period as required by Section 5-40 of the Illinois Administrative procedure Act [5 ILCS 111/5-40].
- 13) Initial Regulatory Flexibility Analysis: None



- A) Types of small business, small municipalities and not-for-profits corporations affected: Illinois trust companies
  - B) Reporting, bookkeeping or other procedures required for compliance:  
None
  - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2012

**TITLE 38: FINANCIAL INSTITUTIONS**  
**CHAPTER II: DEPARTMENT OF FINANCIAL AND PROFESSIONAL**  
**REGULATION OFFICE OF BANKS AND REAL ESTATE**  
**PART 398 PLEDGING REQUIREMENTS FOR ILLINOIS TRUST COMPANIES**  
**~~CORPORATE FIDUCIARY RECEIVERSHIP ACCOUNT~~**

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**Section 398.10 Pledging Requirements for Illinois Trust Companies**

- a) Pursuant to Section 6-13.5 of the Corporate Fiduciary Act [205 ILCS 620/6-13.5] (the Act), each Illinois trust company holding a certificate of authority under Article II of the Act shall pledge to the Secretary ~~Commissioner~~ either a surety bond running to the Secretary ~~Commissioner~~ or securities, or combination thereof, in the amount of \$2,000,000 ~~\$1,000,000~~. Such surety bond or pledged securities must be reducible to cash by the Secretary ~~Commissioner~~ without regard to any priorities, preferences or adverse claims in order to cover costs associated with a receivership of the Illinois trust company. The surety bond or pledged securities shall be utilized only to cover costs associated with a receivership of the pledging Illinois trust company.
- b) To the extent ~~If~~ the trust company ~~chooses to~~ pledges a surety bond, the surety bond shall be issued by a bonding company authorized to do business in the State of Illinois that has a rating in one of the top three rating categories as determined by a national rating service. The surety bond must clearly show that it runs to the benefit of the Secretary ~~Commissioner~~. The surety bond must also state that if the trust company is placed in receivership and the Secretary ~~Commissioner~~ acts as receiver or appoints a receiver, the Secretary ~~Commissioner~~ may reduce the bond to cash in order to pay for any costs associated with the receivership. The trust company may not obtain a surety bond from any entity in which the trust company has a financial interest or of which the trust company is an affiliate. Any fees associated with obtaining and maintaining a surety bond shall be the responsibility of the trust company.

- c) ~~To the extent~~ If the trust company chooses to pledge securities, the securities shall be held at a Federal Reserve Bank or at a depository institution that is a state or national bank, a state or federal savings bank, or a state or federal savings and loan association approved by the Secretary Commissioner. The trust company shall not be an affiliate of, or have a financial interest in, the depository institution. The securities pledged pursuant to this subsection shall be securities that qualify as authorized investments for public agencies under Section 2 of the Public Funds Investment Act [30 ILCS 235/2]. Securities pledged pursuant to this subsection shall be in addition to any securities required as part of the trust company's capital. Any fees associated with holding securities pursuant to this subsection shall be the responsibility of the trust company. A trust company choosing to pledge securities shall enter into a single deposit agreement with the Secretary Commissioner and the Federal Reserve Bank or depository institution that is holding the securities. Such deposit agreement shall contain provisions requiring the depository institution and the trust company to meet the requirements set forth in subsections (c)(1)-(3):
- 1) The depository institution shall segregate on its books and records all accounts of the trust company as assets that the trust company pledges as a part of the assets to be kept by the trust company in Illinois pursuant to the required pledge amount. These accounts shall be held by the depository institution in trust in the name of the Secretary Commissioner;
  - 2) The depository institution shall provide the Secretary Commissioner with reports, receipts, confirmation or other documentation that the Secretary Commissioner may request of the depository institution to determine the trust company's compliance with the requirements of Section 6-13.5 of the Act and this Section; and
  - 3) The trust company shall pledge the securities required under Section 6-13.5 of the Act exclusively to the Secretary Commissioner.
- d) No trust company shall engage in the trust business under the Corporate Fiduciary Act unless it is in compliance continuously with this Section. Each trust company shall be in compliance with the provisions of this Section by January 1, 2004, or, for new trust companies, upon being issued a certificate of authority under Article II of the Act, and continuously thereafter.

- e) For purposes of this Section, a trust company is an "affiliate of" or has a "financial interest" in:
  - 1) any company that controls the trust company and any other company that is controlled by the company that controls the trust company;
  - 2) a subsidiary of the trust company; or
  - 3) any company:
    - A) controlled directly or indirectly, by a trust or otherwise, by or for the benefit of shareholders who beneficially or otherwise control, directly or indirectly, by trust or otherwise, the trust company or any company that controls the trust company; or
    - B) a majority of the directors or trustees of which constitute a majority of the persons holding any such office with the trust company or any company that controls the trust company.
  
- f) For purposes of this Section, a company or shareholder has control over another company if:
  - 1) such company or shareholder, directly or indirectly, or acting through one or more other persons, owns, controls, or has power to vote 25% or more of any class of voting securities of the other company;
  - 2) such company or shareholder controls in any manner the election of a majority of the directors or trustees of the other company; or
  - 3) the Secretary ~~Commissioner~~ determines, after notice and opportunity for hearing, that such company or shareholder, directly or indirectly, exercises a controlling influence over the management or policies of the other company.

**BY-LAWS  
BOARD OF TRUSTEES OF  
THE ILLINOIS BANK EXAMINERS' EDUCATION FOUNDATION**

**Article I. Powers**

Except as otherwise provided by the Articles of Incorporation or by these By-laws, the Illinois Bank Examiners' Education Foundation ("Foundation") shall have all powers which a not-for-profit corporation may have if organized under the Illinois General Not for Profit Corporation Act of 1986, as amended, and shall have such additional powers as are permitted by the Illinois Bank Examiners' Education Foundation Act, as amended ("IBEEF Act"), the Illinois Banking Act, as amended ("Banking Act"), and other applicable law.

**Article II. Office and Agency**

The Foundation shall have and continuously maintain in the State of Illinois a registered office at the principal offices of the Illinois Department of Financial and Professional Regulation in the City of Springfield, Sangamon County. The Foundation shall designate a registered agent whose business address is identical with such registered office.

**Article III. Board of Trustees**

*Section 1. General Powers.* The affairs of the Foundation will be managed by and under the direction of its Board of Trustees ("Board").

*Section 2. Number, Tenure and Qualifications.* The number of Trustees shall be five (5), consisting of the Secretary of the Department of Financial and Professional Regulation ("Secretary"), and one Class A member and three Class B members from the State Banking Board of Illinois, appointed by the Governor. The tenure of the Trustees of the Foundation who are members of the State Banking Board shall be co-extensive and concurrent with their term of appointment on the State Banking Board of Illinois. An appointment to fill a vacancy shall be for the unexpired term of the Trustee whose term is being filled.

*Section 3. Meetings.* The Board shall meet at least once annually during each calendar year and upon the call of the Secretary or a majority of the board. The Secretary or a majority of the Board may call special or additional meetings as he or they deem necessary or desirable.

*Section 4. Quorum.* A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting to another time without further notice.

*Section 5. Manner of Acting.* The act of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board unless the act of a greater number is required by law or by these By-laws, except that a vote of a majority of the whole Board shall be necessary for the approval of rules and regulations proposed for adoption by the Secretary under paragraph (1) of Section 6 of the IBEEF Act and shall also be necessary for recommendations made to the Secretary with regard to proposed amendments to the IBEEF Act or to the administrative practices under the IBEEF Act.

*Section 6. Compensation.* Trustees shall receive no compensation for service on the Board, but shall be reimbursed for all reasonable and necessary expenditures incurred in the performance of their official duties.

*Section 7. Information Action by Trustees.* Any action required by law to be taken at a meeting of the Board, or any action which may be taken at a meeting of the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Trustees.

*Section 8. Attendance by Telephone.* Trustees may participate in and act at any meeting of the Board through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person.

*Section 9. Proxy Prohibited; Presumption of Assent.* No Trustee may act by proxy. A Trustee who is present at a meeting of the Board at which action on any matter is taken shall be conclusively presumed to have assented to the action taken unless his or her dissent shall be entered into the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof. Such right to dissent shall not apply to a Trustee who voted in favor of such action.

*Section 10. Special Powers.* The Board may authorize the transfer of funds from time to time from the Illinois Bank Examiners' Education Fund to the Bank and Trust Company Fund. Any amount so transferred shall be retransferred to the Illinois Bank Examiners' Education Fund from the Bank and Trust Company Fund within a period not to exceed 3 years.

*Section 11. Educational Duties.* The Board shall review and evaluate various courses, programs, curricula, and schools of continuing education and professional training that are available from within the United States for state banking department examination personnel and develop a program which shall be known as the Illinois Bank Examiners' Education Program. The Board shall determine which courses, programs, curricula, and schools will be included in the program to be funded by the Foundation.

#### **Article IV. Officers**

The officers of the Foundation shall be the Chairman, who shall be the Secretary, the Treasurer, the Corporate Secretary and such other officers as may be elected or appointed by the Board. The term of the Treasurer, the Corporate Secretary and such other officers as may be elected or appointed by the Board shall expire after a period of two years or upon the expiration of their respective Board term, whichever period of time is shorter. Officers whose authority and duties are not prescribed in these By-laws shall have the authority and perform the duties prescribed from time to time by the Board.

#### **Article V. Contracts, Checks, Deposits and Funds**

*Section 1. Contracts.* The Board may authorize any officer or agents of the Foundation, in addition to the officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances.

*Section 2. Checks, Drafts, etc.* All checks, drafts, vouchers, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation shall be signed by such officer or officers, or any two agents of the Foundation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Secretary.

*Section 3. Deposits.* All funds of the Foundation shall be deposited either: 1) into the Treasury of the State of Illinois and shall be set apart in a special fund to be known as "The Illinois Bank Examiners' Education Fund" to be invested either by the State Treasurer in the Public Treasurers' Investment Pool or in any other investment he is authorized to make or by the Illinois State Board of Investment as the Board may direct; or 2) deposited into an account maintained in a commercial bank or corporate fiduciary in the name of the Foundation and invested pursuant to the order and direction of the Board. If the amount of Foundation funds deposited with a commercial bank or corporate fiduciary exceeds the amount of federal deposit insurance coverage, the Board shall require that a bond or pledged securities be obtained. Only the type of securities that the State Treasurer may, in his or her discretion, accept for amounts not insured by the Federal Deposit Insurance Corporation under Section 11 of the Deposit of State Moneys Act may be accepted as pledged securities. The market value of the bond or pledged securities shall at all times be equal to or greater than the uninsured portion of the deposit.

*Section 4. Gifts.* The Board may accept on behalf of the Foundation any voluntary contribution, gift, grant, bequest, devise or donation for the general purpose or for any special purpose of the Foundation.

## **Article VI. Reports**

The Board shall issue an annual report to the Governor of the State of Illinois, the General Assembly and all state-chartered banks on the activities of the Foundation during the preceding year which shall include, but not be limited to, detailing the moneys generated and deposited into the Illinois Bank Examiners' Education Fund by the special education fee established under the Banking Act, voluntary contributions, and income from investments and the expenditures of said Fund.

## **Article VII. Books and Records**

The Foundation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board. All books and records of the Foundation shall be kept at its principal office and shall be subject to the rights of inspection of any Trustees for any proper purpose at any reasonable time and in all other respects shall be treated as records of the Secretary are treated with the same rights of inspection and any restrictions upon disclosure incident thereto.

## **Article VIII. Fiscal Year**

The fiscal year of the Foundation shall begin on the first day of July and end on the last day of June in the next succeeding calendar year.

## **Article IX. Seal**

The Board shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Foundation and the words "Corporate Seal Illinois Bank Examiners' Education Foundation." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced, provided that the affixing of the seal to an instrument shall not give the instrument additional force or effect or change the construction thereof and the use of the seal is not mandatory.

## **Article X. Notices**

*Section 1. Manner of Notice.* Whenever notice is required to be given to any Trustee under the provisions of law, the Articles of Incorporation or these By-laws, it shall not be construed to require personal delivery. Such notice may be given in writing by depositing it in a sealed envelope in the United States mails, postage prepaid and addressed to such Trustee at his or her address as it appears on the books of the Foundation, and such notice shall be deemed to be given at the time when it is thus deposited in the United States mails; or such notice may be given in writing by any other means including telegram or facsimile, and if given by such other means, shall be deemed given when received. Such requirement for notice shall be deemed satisfied if actual notice is received orally or in writing by the person entitled thereto as far in advance of the event with respect to which notice is given as the minimum notice period required by law, the Articles of Incorporation or these By-laws.

*Section 2. Waiver of Notice.* Whenever any notice is required to be given by law, by the Articles of Incorporation or by these By-laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting for which notice is required to be given shall constitute a waiver of such notice.

*Section 3. Notice of Special Meetings.* Notice of any special meeting shall be given at least two days prior thereto by any means permitted by these By-laws. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these By-laws

#### **Article XI. Liability for Official Acts or Omissions**

Neither the Secretary nor any Trustee shall be subject to any civil liability or penalty, whether for damages or otherwise, on account of or for any action taken or omitted to be taken in their respective official capacities, except when such acts or omissions to act are corrupt or malicious or unless such action is taken or omitted to be taken not in good faith and without reasonable grounds.

#### **Article XII. Amendment**

A majority of the Board at a meeting at which a quorum is present may alter, amend or repeal the By-laws or adopt new By-laws. Such action may be taken at a regular meeting or a special meeting for which written notice of the purpose has been given.

AMENDED: December 29, 2005



**BOARD OF TRUSTEES**  
**Board of Trustees of the Illinois Bank Examiners' Education**  
**Foundation**

**INVESTMENT POLICY**

RESOLVED, that funds held by the Board of Trustees ("Board") of the Illinois Bank Examiners Education Foundation ("IBEEF") shall, at the time of the initial investment or any renewal thereof, be invested in accordance with the following principles and guidelines:

1. It is the Board's preference to invest Funds in state chartered banks, ("Depository Institution") the main premises or office of which is located within the state of Illinois, and which are rated in the top 2 categories assigned at the most recent examination, based upon a composite evaluation of the following six individual performance components: Capital, Asset Quality; Management; Earnings; Liquidity; and Sensitivity to Market Risk. Not with standing the foregoing preference, the Board may invest or deposit Funds to the extent permitted by provisions of the Deposit of State Moneys Act, [15 ILCS 520/0.01], and the Public Funds Investment Act, [30 ILCS 235/1];
2. When determining whether to invest Funds with a Depository Institution, the Board shall, to the extent permitted by provisions of the Deposit of State Moneys Act, [15 ILCS 520/0.01], the Public Funds Investment Act, [30 ILCS 235/1] and to the extent permitted by the lawful and reasonable performance of the Board's custodial duties, invest or deposit Funds with or in a minority owned Depository Institution;
3. When determining whether to invest Funds with a Depository Institution, the Board shall, to the extent permitted by the lawful and reasonable performance of the Board's custodial duties, consider a Depository Institution's compliance with the Illinois High Risk Home Loan Act,[ 815 ILCS 137/1] and the Administrative Rules promulgated there under, [38 Ill. Admin. Code, Part 345]. The Board is authorized, but not required, to condition the deposit or investment of Funds upon receipt from a Depository Institution of a certification of compliance with the Illinois High Risk Home Loan Act and the Administrative Rules promulgated there under;
4. Funds shall be invested so that principal shall be preserved at all times. It is the Board's preference that no investment account exceed the amount of FDIC insurance. If, however, it is determined advisable or necessary to make a deposit with any Depository Institution that exceeds FDIC insurance, such deposit shall be collateralized in accordance with Section 11 of the Deposit of State Moneys Act, [15 ILCS 520/11], and the value of such securities pledged shall at all times equal or exceed the amount of the deposit that exceeds FDIC insurance;
5. Funds shall not be invested in any Depository Institution of which a member of the Board is a shareholder, director, or officer, or with any Depository Institution affiliated with an institution for which a member of the Board occupies such office or position;
6. Funds shall not be invested for a maturity that exceeds 5 (five) years;

7. Division of Banking staff are delegated authority to negotiate interest payment schedules including monthly, quarterly, semi-annually, or at maturity, based upon projected cash flow needs and the best interests of the Board. Interest payments shall be credited to an account where expenditure of interest earnings from such account must be permitted upon the order of the Board drawn by the Treasurer of the Board and countersigned by the Chairman of the Board and the Secretary of the Board, or at least two of their agents;

8. Division of Banking staff are delegated the authority to make necessary emergency investment or deposit determinations in the event that Funds are required to be invested or deposited during a time when it is not possible for the Board to convene and consider such investment or deposit determination. In all such instances, any investment or deposit determination so made shall be done in accordance with the above stated Board preferences and the Banking staff shall advise the Board of the actions taken at the next subsequent meeting of the Board.

RESOLVED FURTHER, that implementation of this Investment Policy shall be delegated to the Chairman of the Board, who shall cause to be made the necessary reports to the members of the Board not less often than annually. The Chairman's reports to the Board shall include the names of the depository institutions at which such deposits are made, the earnings and rate of return for such investment, the maturity of each such investment, the amount and nature of collateral pledged for any deposit that exceed FDIC insurance, and any other relevant information that the Board may require by future resolution. Not with standing the foregoing, the Board authorizes the Chairman to exercise discretion in delegating to subordinate Division of Banking staff the task of implementing this Investment Policy and preparing or making the necessary reports.

DATED: September 21, 1994.

AMENDED: June 25, 1997.

AMENDED: July 7, 1999.

AMENDED: December 29, 2005.

AMENDED: February 21, 2007.

ILLINOIS BANK EXAMINERS' EDUCATION FOUNDATION					
Investment Summary					
February 29, 2012					
BANK NAME	COUNTY	INVESTMENT AMOUNT	TERM	RATE	DATE OF MATURITY
South Side Trust & Savings Bank 2199 SW Adams Street Peoria, IL 61602	Peoria	\$1,000,000.00	36 Months	2.75%	5/7/2012
North County Savings Bank 411 West Market Red Bud, IL 62278	Randolph	\$100,000.00	24 Months	2.00%	5/17/2012
Pan American Bank 2627 West Cermak Road Chicago, IL 60608	Cook	\$100,000.00	36 Months	3.00%	5/18/2012
Middletown State Bank Box 245 Middletown, IL 62666	Logan	\$100,000.00	36 Months	3.00%	8/4/2012
Goodfield State Bank 201 S. Eureka Street PO Box 105 Goodfield, IL 61742	Woodford	\$100,000.00	36 Months	2.967%	8/4/2012
Morton Community Bank 721 W. Jackson Street Morton, IL 61550	Tazewell	\$100,000.00	36 Months	2.94%	8/4/2012
South Side Trust & Savings Bank 2199 SW Adams Street Peoria, IL 61602	Peoria	\$75,000.00	36 Months	2.75%	3/1/2013
The Iuka State Bank 303 N. Main Street Iuka, IL 62849	Marion	\$100,000.00	36 Months	1.75%	2/28/2014
The Iuka State Bank 303 N. Main Street Iuka, IL 62849	Marion	\$100,000.00	36 Months	1.75%	2/28/2014
Marshall County State Bank 510 Main Street Varna, IL 61375	Varna	\$100,000.00	36 Months	2.00%	3/1/2014
The Iuka State Bank 303 N. Main Street Iuka, IL 62849	Marion	\$1,000,000.00	36 Months	1.75%	5/24/2014
The Iuka State Bank 303 N. Main Street Iuka, IL 62849	Marion	\$100,000.00	36 Months	1.56%	9/15/2014
The Iuka State Bank 303 N. Main Street Iuka, IL 62849	Marion	\$100,000.00	36 Months	1.56%	9/16/2014
First Collinsville Bank 800 Beltline Road, P O Box 809 Collinsville, IL 62234	Madison	\$100,000.00	36 Months	4.70%	Matured
First County Bank 14-22 East Hanover Street, P O Box 49 New Baden, IL 62265	Clinton	\$100,000.00	36 Months	4.70%	Matured
<b>SUBTOTAL</b>		<b>\$3,075,000.00</b>			
Marine Bank 3050 West Wabash Springfield, IL 62701	Sangamon	\$168,891.42		A.P.Y. 0.50%	
Marine Bank 3050 West Wabash Springfield, IL 62701	Sangamon	\$16,122.77		N/A	
<b>TOTAL</b>		<b>\$3,260,014.19</b>			

**ILLINOIS BANK EXAMINERS' EDUCATION FOUNDATION  
BALANCE SHEET (As of February 29, 2012)**

ASSETS:	Money Market Passbook	168,891.42
	Certificates of Deposit	3,075,000.00
	Checking	16,122.77
	Accrued Interest Receivable	909.55
	Total Assets	<u>3,260,923.74</u>
LIABILITIES:	Accounts Payable	0.00
FUND EQUITY:	Retained Earnings As of 6/30/11	3,231,374.37
	Income less Expenses for 7/1/11 - 02/29/12	29,549.37
	Total Liabilities and Fund Equity	<u>3,260,923.74</u>

**FISCAL YEAR 2012 STATEMENT OF REVENUES AND EXPENSES  
July 1, 2011 Through February 29, 2012**

REVENUES:	Interest from Investments	43,614.19	
	Contributions	0.00	
	Total Revenues		43,614.19
EXPENSES:	Training Programs	13,339.82	
	Fund Transfer	0.00	
	Miscellaneous	725.00	
	Total Expenses		<u>14,064.82</u>
NET INCOME:			<u>29,549.37</u>

**ILLINOIS BANK EXAMINERS' EDUCATION FUND ACTIVITY  
July 1, 2011 Through February 29, 2012**

BEGINNING BALANCE, JULY 1, 2011		3,222,693.91
ADDITIONS:	FY11 Interest Received in FY12	8,680.46
	FY12 Interest Received	42,704.64
	FY12 Contributions	0.00
	Total Additions	51,385.10
REDUCTIONS:	FY11 Training Programs Paid in FY12	0.00
	FY12 Training Programs	13,339.82
	FY11 Fund Transfer Paid in FY12	0.00
	FY12 Fund Transfer	0.00
	FY11 Miscellaneous Paid in FY12	0.00
	FY12 Miscellaneous	725.00
	Total Reductions	<u>14,064.82</u>
ENDING BALANCE, February 29, 2012		<u>3,260,014.19</u>

**2008 Training**  
**Funded By Illinois Bank Examiners' Education Foundation**  
**on behalf of the Bureau of Banks, Trust Companies and Savings Institutions**

**Funding Approved**  
**February 15, 2008**  
**By the Board of Trustees**

Training/Conference/Seminar (*)	Proposed Dates	Location	Total Proposed Cost (*)	Actual Cost	Unspent Approved Funding
Advanced BSA/AML Specialists Conference	10/6 - 10/8/08	Arlington, VA	\$1,681.00		\$1,681.00
American Bar Association - Banking Law Basics	6/16 - 6/18/08	San Francisco, CA	\$2,895.00	\$2,491.74	\$403.26
Annual ACFE Fraud Conference and Exhibition	7/14 - 7/16/08	Boston, MA	\$5,668.00	\$6,281.14	(\$613.14)
Annual Examiners' Conference	7/1 - 7/1/08	Bloomington, IL	\$30,000.00	\$11,341.96	\$18,658.04
Annual Meeting of Banking Commissioners	5/20 - 5/22/08	Amelia Island, FL	\$4,400.00	\$4,548.43	(\$148.43)
Annual Midwest Regional Information Technology Conference (District II)	8/26 - 8/28/08	Chicago, IL	\$22,000.00	\$586.30	\$21,413.70
Annual Trust Forum	4/14 - 4/16/08	San Antonio, TX	\$1,900.00		\$1,900.00
Asset Management Forum	7/14 - 7/16/08	Arlington, VA	\$4,184.00	\$1,644.14	\$2,539.86
Auditing for Internal Fraud	6/5 - 6/6/08	Denver, CO	\$1,654.00	\$1,712.31	(\$58.31)
Cannon Trust School I	7/13 - 7/19/08	South Bend, IN	\$3,690.00	\$3,707.01	(\$17.01)
Capital Markets Conference	8/11 - 8/13/08	Arlington, VA	\$3,512.00		\$3,512.00
Cash Flow Construction & Analysis from Federal Tax Returns	5/6 - 5/8/08	Arlington, VA	\$2,206.00		\$2,206.00
CSBS Examiners Forum	6/23 - 6/25/08	Seattle, WA	\$1,978.00	\$4,671.22	(\$2,693.22)
CSBS Legal Seminar	8/10 - 8/13/08	Portland, Maine	\$6,129.00	\$4,740.41	\$1,388.59
CSBS NASCUS Technology Seminar	9/28 - 10/1/08	Scottsdale, AZ	\$4,107.00	\$1,998.20	\$2,108.80
CSBS Senior School	4/14 - 4/17/08	San Antonio, TX	\$2,414.00	\$1,975.87	\$438.13
Deputy Seminar	8/13 - 8/15/08	Portland, Maine	\$2,000.00		\$2,000.00
Examiner Education Forum	Dates TBD	(out-of-state)	\$2,000.00		\$2,000.00
Financial Crimes Seminar	8/5 - 8/8/08	Arlington, VA	\$1,938.00	\$1,771.32	\$166.68
FIRMA National Risk Management Training Conference	4/6 - 4/10/08	Orlando, FL	\$6,280.00	\$5,469.75	\$810.25
Global Solutions for Business Continuity Planning	3/30 - 4/2/08	Orlando, FL	\$2,200.00	\$1,883.25	\$316.75
Graduate Schools of Banking / Trust Schools	Dates TBD	(Denver, CO or Madison, WI)	\$9,292.00		\$9,292.00
Information Technology Conference	8/18 - 8/21/08	Arlington, VA	\$3,776.00		\$3,776.00
Introduction to Examinations School	Dates TBD	Arlington, VA	\$9,452.00		\$9,452.00
Investment Management School	9/7 - 9/13/08	Chicago, IL	\$3,319.00	\$7,456.42	(\$4,137.42)
IT Auditing for Non-IT Auditors	11/8 - 11/2008	Bloomington, IL	\$442.00		\$442.00
Loan Review Certificate Program	Dates: 6/9 - 6/12/08 & 8/6 - 8/9/08	Chicago, IL	\$10,794.00		\$10,794.00
Manager Training Program	Dates TBD	Chicago or Springfield	\$30,000.00		\$30,000.00
Mentor Training/Coaching Program	8/18 - 8/19/08	Chicago, IL	\$14,265.00		\$14,265.00
MIS Training Institute's InfoSec World Conference & Expo 2008	3/10 & 3/11/08	Orlando, FL	\$8,535.00	\$8,338.71	\$196.29
Options Trading Course - Advanced	3/10 - 3/12/08	Des Plaines, IL	\$3,000.00	\$500.00	\$2,500.00
Options Trading Course - Basic	3/8 - 3/9/08	Des Plaines, IL	\$2,000.00	\$500.00	\$1,500.00
Securities Operations Graduate School	9/7 - 9/12/08	Chicago, IL	\$4,970.00		\$4,970.00
Supervisory Updates and Emerging Issues	6/17 - 6/20/08	Arlington, VA	\$2,363.00	\$1,828.12	\$534.88
Testing for Fraud in Key Financial Accounts	10/20 - 10/22/08	Chicago, IL	\$1,705.00		\$1,705.00
<b>Total 2008 Training funded by IBEEF</b> =====>			<b>\$216,749.00</b>	<b>\$73,446.30</b>	<b>\$143,302.70</b>

**Unspent Approved Funding Report**  
**Seeking Ratification by State Banking Board of Illinois**  
**on behalf of the Bureau of Banks, Trust Companies and Savings Institutions**  
**March 5, 2012**

Training/Conference/Seminar (*)	Dates	Location	Balance Remaining of FY08 Approved Funding	Actual Cost	Unspent Approved Funding
			<b>\$143,302.70</b>		
Islamic Finance World 2008	05/19 - 05/23/08	New York, NY		\$5,842.88	
CSBS District Two Spring Meeting	05/12 - 05/13/08	Indianapolis, IN		\$493.54	
Banking Law Seminar on CD-ROM	1/18/2008	N/A		\$197.69	
Bank Secrecy Act Advisory Group Meeting	10/22/2008	Washington, DC		\$771.79	
Midwest Interagency Regulatory Meeting	10/28/2008	Columbus, OH		\$865.90	
CSBS District Two Fall Meeting	11/17 - 11/18/08	Indianapolis, IN		\$653.02	
CSBS Supervisors Symposium & Media Skills Training	12/08 - 12/11/08	Tucson, AZ		\$2,217.04	
Illinois Bankers Association	2/25/2009			\$497.00	
CSBS Congressional Fly-In & CSBS Board Meeting	03/23 - 03/24/09	Washington, DC		\$1,804.84	
EFSBS Meeting	05/18 -05/20/09	Washington, DC		\$728.20	
American Bar Association Conference	6/15 - 6/18/09	San Francisco, CA		\$1,926.26	
CSBS Annual Business Meeting & Board of Directors Meeting	6/14 - 6/18/09	Washington, DC		\$1,109.40	
2009 American Bar Association Annual Conference	7/30 - 8/1/09	Chicago, IL		\$1,981.51	
CSBS Legal Seminar	8/16 - 8/19/09	Williamsburg, VA		\$4,094.30	
Midwest Interagency Regulatory Meeting	9/3/2009	St. Louis, MO		\$304.71	
CSBS Strategic Planning Session and Board Meeting	9/13 - 9/16/09	Raleigh, NC		\$1,222.05	
CSBS Technology Seminar	9/29 - 10/2/09	Jackson, WY		\$2,138.17	
EFSBS Board Meeting and Examiner Education Forum	11/2 - 11/3/09	Charleston, SC		\$753.50	
FDIC Structured Finance Course	11/2 - 11/6/09	Arlington, VA		\$1,410.20	
EFSBS Supervisors Symposium	12/7 - 12/11/09	Washington, DC		\$2,334.29	
2009 Examiners' Conference	12/15 - 12/16/09	Springfield, IL		\$2,336.50	
American Bar Association	3/24/2010	Carol Stream, IL		\$652.50	
CSBS Board Meeting and Legislative Update	3/23 - 3/24/2010	Washington, DC		\$776.31	
North American CACS Conference 2010	4/18 - 4/22/2010	Chicago, IL		\$10,579.36	
CSBS Annual Meeting & Conference	5/17 - 5/20/2010	Boston, MA		\$3,279.33	
2010 Annual Conference	6/16 - 6/18/2010	Springfield, IL		\$495.00	
Cannon Financial Institute, Inc. / Cannon Trust III	7/11 - 7/17/2010	South Bend, IN		\$450.00	
CSBS Learning 2010 Conference	10/24 - 10/27/2010	Orlando, FL		\$3,271.58	
Illinois Bankers Association / Bank Counsel Conference	11/8/2010	Springfield, IL		\$597.00	
Illinois Bankers Association (Text Books)	11/12/2010	N/A		\$260.00	
CSBS Technology Seminar	11/18/2010	Chicago, IL		\$1,976.85	
2011 Examiners' Conference	4/20 - 4/21/2011	Springfield, IL		\$1,026.74	
CSBS State-Federal Supervisory Forum	5/15 - 5/18/2011	Seattle, WA		\$2,517.94	
CSBS Legal Seminar	8/23 - 8/26/2011	Raleigh, NC		\$3,895.72	
CSBS District II Fall Meeting	10/10 - 10/11/2011	Indianapolis, IN		\$395.00	
Fraud Awareness Training / National Louis University	10/20/2011	Chicago, IL		\$165.00	
Rex Beach & Associates / Online Webcast	Annual Membership	N/A		\$750.00	
ABA Money Laundering Enforcement Conference	11/13 - 11/15/2011	Washington, DC		\$6,981.16	
<b>Total</b>			<b>\$143,302.70</b>	<b>\$71,752.28</b>	<b>\$71,550.42</b>

**Proposed 2012 Training  
To Be Funded By Illinois Bank Examiners' Education Foundation  
on behalf of the Bureau of Banks, Trust Companies and Savings Institutions**

Training/Conference/Seminar (*)	Proposed # of attendees (*)	Proposed Dates & Location	Cost per Employee (*)	Total Proposed Cost (*)	Course Description (*)
ACAMS International Anti-Money Laundering Conference	1	3/19 - 3/21/12 Hollywood, FL	\$3,833.90	\$3,833.90	This intermediate-level course will introduce fraud examiners to the tools and techniques used via computer forensic software and hardware to provide an operating model for best practices in securing, obtaining and analyzing digital evidence pertaining to fraud investigations.
Advanced BSA/AML Specialists Conference	2	9/25 - 9/27/12 Arlington, VA	\$1,979.00	\$3,958.00	This conference is designed to provide insight & information on current and emerging issues related to BSA/AML compliance. It will also provide information on changing regulatory guidance from the financial institution regulatory agencies. General topics include: Money Service Business, ACH Transactions, Stored Value Cards and more.
Advanced Cash Flow Concepts & Analysis: Beyond the Numbers	4	4/30 - 5/4/12 Arlington, VA * alternate dates for additional participants	\$3,108.50	\$12,434.00	This course is designed to go beyond the numbers in analyzing cash flow. It focuses on cash flow traps, debt capacity analysis and effective tools used to evaluate cash flow. Objectives of this course include (but not limited to): appropriate uses of a range of cash flow measurements including earnings before interest and taxes, depreciation and amortization (EBITDA). The course also focuses on the common misuses that may lead to credit problems. It outlines industry excesses, such as "enterprise value" loans and highly leveraged transactions and employ a model to realistically assess these and other industry excesses.
American Bankers and American Bar Association Money Laundering Enforcement Conference	2	11/11 - 11/13/12 Washington, D.C.	\$3,279.00	\$6,558.00	This in-depth program is designed and delivered by the nation's top AML experts. This conference provides comprehensive regulatory updates and current best practices on key risk areas relative to AML. Industry leaders and regulatory experts from the FDIC, OCC, FED and FinCEN all provide significant input in the planning and coordination of this program. Discussions include but not limited to: How to Cope With Emerging Crimes: Human Trafficking, How to Use Innovative Customer Monitoring to Detect Money Laundering, How to Address the New Anti-Corruption Environment, SARS From A to Z: From Filing to Customer Concerns and many more other AML related subjects.
Annual Examiners' Conference	120	(May 2012) Chicago or Springfield or vicinity offsite	\$250.00	\$30,000.00	Designed to update staff on current bureau/agency policies and procedures. Covers State and Federal Legislative regulatory updates, current examination topics, trends in the banking industry and new regulatory guidance associated with the examination and supervision of state chartered financial institutions.
Annual Meeting of Banking Commissioners	2	Dates and Location TBD	\$2,200.00	\$4,400.00	The largest gathering of State & Federal banking regulators, state bank CEOs, industry policy makers and representatives of companies who support the banking industry.
Asset Management Forum	3	5/15 - 5/17/12 Arlington, VA	\$2,026.50	\$6,079.50	This annual forum is designed to provide examiners responsible for supervision of trust and asset management activities with insight and information relating to developments in this industry. A major emphasis is on existing and emerging risks. Topics include legislative and regulatory changes, technological advances, new product and service developments, operational controls and audits.
Basel II University - Online	1	Online course TBD	\$450.00	\$450.00	This is a comprehensive course that covers the requirements for Basel II as per the revised framework International Convergence of Capital Measurement and Capital Standards. It covers in detail the primary components, or pillars, i.e. minimum capital requirements, supervisory review process and market discipline.

Training/Conference/Seminar (*)	Proposed # of attendees (*)	Proposed Dates & Location	Cost per Employee (*)	Total Proposed Cost (*)	Course Description (*)
Basic Administrative Duties of a Trustee	1	Online course TBD	\$300.00	\$300.00	This online course is designed to introduce new employees in trust related fields. Learning objectives include but not limited to: explaining the basic principles of administration, defining the purpose of state trust statutes, describing an agency relationship, list the duties of an estate guardian. This course also covers Wills and discussion of probate and more.
Cannon Trust School I	1	7/8 - 7/14/12 South Bend, IN	\$3,712.50	\$3,712.50	This first level Trust School include discussion of the following topics: Fiduciary Law, Regulation 9, Property Law, Principle & Income, Estate & Gift Tax, Fiduciary Income, Investments, Irrevocable Trusts, Account Administration and much more.
Cash Flow Construction & Analysis from Federal Tax Returns	2	7/10 - 7/12/12 Arlington, VA * alternate date for additional participants	\$1,908.50	\$3,817.00	This conference enables examiners to use federal tax returns to generate an accurate cash flow statement for an individual or business entity, to defend the cash flow statement construction and to use the results in the credit analysis process.
CFA Institute Annual Conference	1	5/6 - 5/9/12 Chicago, IL	\$1,781.60	\$1,781.60	The risk, opportunities, and challenges facing global markets are increasingly complex. This conference will address several areas affecting global markets including but not limited to the following topics: World Debt Crisis, Opportunities in Emerging Markets, Global Private Equity, Risk-Based Asset Allocation Framework for Unstable Markets, Evaluating Sovereign Credit, Role of Wall Street in the Economy & more.
CSBS Senior School	2	6/25 - 6/29/12 Indianapolis, IN	\$2,742.50	\$5,485.00	Senior School is designed to meet the specific leadership training needs of state bank regulators who are rising into management positions within their departments or as an examiners-in-charge in the field. The behavioral science and management techniques presented are developed and honed each year to apply to the unique and evolving needs of bank regulatory personnel. Senior School is also a requirement to enter the annual EFSBS Graduate Banking/Trust School Scholarship Competition.
Consumer Compliance Specialist Conference	1	10/30 - 11/1/12 Arlington, VA	\$2,109.00	\$2,109.00	This conference is designed to provide insight & information on current and emerging issues related to BSA/AML compliance. It will also provide information on changing regulatory guidance from the financial institution regulatory agencies.
Deputy Seminar	1	7/30 - 8/1/12 New Orleans, LA	\$2,102.50	\$2,102.50	The Deputy Seminar is an opportunity for key banking department officials to gather to learn about upcoming issues, shared challenges, and learn potential solutions.
Digital Forensics Tools & Techniques	3	5/7 - 5/8/12 Chicago, IL	\$946.50	\$2,839.50	This intermediate-level course will introduce fraud examiners to the tools and techniques used via computer forensic software and hardware to provide an operating model for best practices in securing, obtaining and analyzing digital evidence pertaining to fraud investigations.
Examiner Education Forum	1	Dates & Location TBD (out-of-state)	\$2,102.50	\$2,102.50	A forum for banking department training directors to discuss trends and needs in examiner training.
Fiduciary & Investment Risk Management Conference	2	3/25 - 3/29/12 Fort Worth, TX	\$2,678.50	\$5,357.00	National speakers will discuss current trends in the industry, new products & specialized lines of business and will provide insights as to management and control of associated risks. Topics covered: Asset Management, broker/dealer activities, insurance and more.
Fiduciary & Investment Risk Management Issues & Updates	3	8/27 - 8/28/12 Chicago, IL	\$2,264.50	\$6,793.50	This course continues the professional development of a fiduciary compliance professional and the supervision required in the decision making process of trust and estate planning. Specific topics are reviewed in a class project, interactive format. Topics range from Risk Management in the areas of credit, market and operational, as well as alternative risk transfer markets.



**Proposed 2012 Training  
To Be Funded By Illinois Bank Examiners' Education Foundation  
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Training/Conference/Seminar (*)	Proposed # of attendees (1)	Proposed Dates & Location	Cost per Employee (1)	Total Proposed Cost (1)	Course Description (*)
General Accounting (Instructor-Led) Online	1	7/30 - 12/2/12 Instructor-Led Online meet once weekly for 16 weeks;	\$625.00	\$625.00	General Accounting provides a complete foundation in basic accounting procedures. This course presents the fundamentals of accounting in a practical, up-to-date and easy to comprehend manner. The goal is to provide students (particularly newer examiners) with a strong basic knowledge of accounting terms, concepts and procedures. Emphasis is placed on developing a firm foundation of fundamental procedures with appropriate repetition of content through the use of examples and color-coded illustrations.
Introduction to Public Finance (Municipal Bond Training)	90	Dates TBD Chicago & Springfield	\$544.00	\$48,960.00	This seminar provides examiners with an understanding of the contextual framework of the U.S. public finance market as well as the tools used to analyze key public finance credits. Using case studies, spreadsheets and group discussions, the course covers municipalities, state government, special authorities, essential purpose revenue bonds, and higher education. Key subject areas include (but not limited to): analyzing financial and debt statements of public finance credits, discern between corporate and municipal credit risk, recognizing signs of distress for public finance credits and much more relative to risks associated with municipalities.
Introduction to Trust Products and Services	1	Online course TBD	\$300.00	\$300.00	Introduction to Trust Products and Services is a foundational, skill building course for trust professionals. It will help new trust professionals understand the fundamentals of the business, how a trust works, the types of assets commonly held in a trust and the basics of estate planning. The course describes the personal trust document and the process by which trust officers establish a trust for their clients.
Information Technology Conference	2	8/7 - 8/9/12 Arlington, VA	\$2,090.50	\$4,181.00	This conference is designed to update Information Technology Examiners on current and prospective developments in the area of IT, systems controls, and security. Speakers for this program are nationally recognized industry leaders as well as some senior staff members from regulatory agencies. This conference helps students to identify the risks, benefits, advantages, and disadvantages of emerging technologies.
North American Computer Audit, Control and Security (CACS)	1	5/7 - 5/10/12 Orlando, FL	\$3,505.50	\$3,505.50	This course is presented by Information Systems Audit and Control Association (ISACA) and is considered the leading conference for Information Technology (IT) audit, assurance, control, and security and governance professionals. ISACA works together with industry leader to develop a conference program that focuses on the complex needs of today's IT Audit professional and provides solutions that can be applied to the IT Examinations. ISACA is the organization that provides the Certified Information Systems Auditor (CISA) certification that many IT Audit professionals obtain.
Supervisory Updates and Emerging Issues	4	6/25 - 6/28/12 Arlington, VA	\$2,433.50	\$9,734.00	This course seeks to provide authoritative analyses of emerging issues confronting the regulatory and banking communities. Approximately twelve important or emerging topics are discussed. Includes discussion of current trends, key risk issues and recommended best practices.
<b>Total Proposed 2012 Training to be funded by IBEEF =====&gt;</b>				<b>\$171,419.00</b>	

# RESOLUTION OF THE STATE BANKING BOARD OF ILLINOIS

2012-2

## APPOINTMENT OF AGENTS

**WHEREAS**, pursuant to the authority granted to the State Banking Board of Illinois, acting in its capacity as the trustees for the Illinois Bank Examiners' Education Foundation (the "Foundation") under Article V of the Foundation By Laws, the Board of Trustees (the "Board") may authorize any officer or agent of the Foundation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation;

**WHEREAS**, all checks, drafts, vouchers, or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Foundation shall be signed by such officer or officers, or any two agents of the Foundation and in such manner as shall from time to time be determined by resolution of the Board;

**WHEREAS**, the recent changes in personnel at the Illinois Department of Financial and Professional Regulation, ("IDFPR") have prompted the IDFPR to seek changes in the appointed Agents.

**NOW THEREFORE, BE IT RESOLVED**, that the prior designation of Richard C. Brunskill, John A. Bucari, and Kerri A. Doll, as agents on behalf of the Board shall be and hereby is terminated as of the date of this resolution.

**FURTHER RESOLVED**, that the Board authorizes the Chairman or his/her designee to remove any such authorized agents based on the change in their employment status or such other reason as the Chairman may determine.

**FURTHER RESOLVED**, that the following employees of the Illinois Department of Financial and Professional Regulation, Division of Banking shall be and hereby are designated as agents of the Foundation until further action is taken by the Board or the Chairman: Manuel Flores, Director, Division of Banking; Scott D. Clarke, Assistant Director, Division of Banking; Marc A. Edwards, Manager of Bank and Thrift Supervision-Springfield; Joseph N. Gomez, Manager of Bank and Thrift Supervision-Chicago; Thomas G. Kaufmann, Manager, Specialized Activities-Information Technology; Elba J. Acevedo, Manager, Specialized Activities-Fiduciary; Mark A. Goldstein, Chief Financial Officer, Fiscal Operations Section; and Martin J. Rockhold, Budget Analyst, Fiscal Operations Section.

