

**STATE OF ILLINOIS**  
**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**  
**DIVISION OF BANKING**

\_\_\_\_\_ )  
In the Matter of )

ARCOLA HOMESTEAD SAVINGS BANK )  
ARCOLA, ILLINOIS )

An Illinois Chartered Savings Bank )  
\_\_\_\_\_ )

ORDER TO CEASE AND DESIST

2010-DB-39

ORDER TO CEASE AND DESIST

The Department of Financial and Professional Regulation, Division of Banking (“Division”), pursuant to Sections 5007, 9015, 9017 and 11001 of the Illinois Savings Bank Act [205 ILCS 205/5007, 205 ILCS 205/9015, 205 ILCS 205/9017 and 205 ILCS/11001] hereby issues this Order to Cease and Desist (“Order”) to Arcola Homestead Savings Bank, Arcola, Illinois (“Savings Bank”). The Division finds as follows:

1. The capital of the Savings Bank is less than the minimum permitted;
2. The capital of the Savings Bank is impaired; and
3. The Savings Bank is operating in an unsafe and unsound condition.

In support of these findings, for purposes of securing correction of the same, and without limiting the Division’s rights and duties to issue additional findings, the Division states as follows:

- A. The results of an examination conducted using financial records as of September 30, 2009 demonstrate that the Savings Bank is operating with an unacceptable level of capital protection based on the Savings Bank’s financial condition, management, earnings prospects, and risk profile as required by Section 5007(a) of the Savings Bank Act [205 ILCS 205/5007(a)].

- B. Based upon the high level of estimated assets subject to classification identified at the exam, and the Savings Bank's unsafe and unsound condition, Savings Bank is likely to experience a substantial dissipation of assets or earnings that will weaken the condition of the Savings Bank and will prejudice the interests of its depositors contrary to the Savings Bank Act [205 ILCS/10001(a)(9)]:

**NOW THEREFORE IT IS HEREBY ORDERED:**

The Board of Directors of the Savings Bank is hereby directed to require the shareholders of the Savings Bank, within 60 days of the date of this Order, to contribute and maintain capital in an amount necessary to eliminate the impairment and unsafe and unsound condition; to provide an adequate level of protection based on the Savings Bank's financial condition, management, earnings prospects, and risk profile; and to assure maintenance of insurance of deposit accounts by the Federal Deposit Insurance Corporation. At a minimum capital shall be increased and maintained to meet the following requirements:

The Savings Bank shall increase its Tier 1 leverage capital ratio to not less than 5%;

This Order is effective immediately.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the Division.

ORDERED THIS 8<sup>th</sup> DAY OF MARCH, 2010.

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
BRENT E. ADAMS, SECRETARY

DIVISION OF BANKING

By:

\_\_\_\_\_  
JORGE A. SOLIS  
Director

You are hereby notified that this Order is an administrative decision. Pursuant to 205 ILCS 205/9018, 205 ILCS 105/7-24 and 38 Ill. Adm. Code Section 500.460, a hearing on this administrative decision before the Board of Savings Institutions (Board) may be requested. Written request for a hearing shall be filed with the Board within 10 days after receipt of the administrative decision, and if so requested, a verified complaint shall be filed with the Board within 30 days after receipt of the administrative decision. Notice must be served upon the Secretary by causing a copy of said Notice to be delivered to the Illinois Department of Financial and Professional Regulation, Division of Banking, 320 West Washington, Springfield, Illinois, 62786. Pursuant to 205 ILCS 205/9018, 205 ILCS 105/7-24 and 38 Ill. Adm. Code Section 500.470, notice of hearing shall be issued at least 10 days prior to the date set for hearing, which date shall be between 15 and 30 days of the timely filing of the verified complaint. Absent a request for hearing, this Order shall constitute a final administrative Order subject to the Administrative Review Law [735 ILCS 5/3-101].