

STATE OF ILLINOIS

OFFICE OF BANKS AND REAL ESTATE

BUREAU OF BANKS AND TRUST COMPANIES

IN THE MATTER OF:)
Amalgamated Bank of Chicago)
Chicago, Illinois)
)
An Illinois state-chartered bank)
_____)

No. 2004-BBTC-35

ORDER ASSESSING CIVIL MONETARY PENALTY

The COMMISSIONER OF BANKS AND REAL ESTATE, (the “Commissioner”), having conducted an examination of facts related to Amalgamated Bank of Chicago (the “Bank”) One West Monroe Street, Chicago, Illinois 60690-0800 and having found that the Bank has violated the provisions of Section 5(12) of the Illinois Banking Act [205 ILCS 5/1 et. seq.] (the “Act”) hereby issues this ORDER pursuant to the authority provided under Section 48 (8) of the Act. Specifically, the Commissioner makes the following:

FINDINGS

1. That at all times relevant hereto, the Bank was a state-chartered bank pursuant to the Illinois Banking Act, [205 ILCS 5/1] and subject to regulation by the Commissioner of Banks and Real Estate;
2. That Section 5(12) of the Act, provides that any bank intending to establish a subsidiary shall give written notice to the Commissioner 60 days prior to the subsidiary commencing business;
3. That on or about January 8, 2004, the Bank repurchased a total of 26 of its issued and outstanding shares of stock from an identified existing Bank shareholder (the “January 8, 2004 Purchase Transaction”);
4. That during January 2003, the Bank established a subsidiary pursuant to the authority provided under Section 5(12) of the Act. During January 2003, the above referenced subsidiary commenced intermediary activities related to non-taxable land exchanges;

5. That prior to the commencement of business as discussed in paragraph four (4) above, the Bank failed to provide the Commissioner with 60 days prior notice as is required under Section 5(12) of the Act;
6. That by virtue of the failure to provide the required notice, the Bank has violated the provisions of Section 5(12) of the Act; and
7. That Section 48(8) of the Act provides the Commissioner the authority to assess a civil monetary penalty in an amount up to \$10,000 for each violation of any provision of the Act, any rule promulgated in accordance with the Act or any order of the Commissioner.

CONCLUSIONS

1. That by virtue of the failure to provide the required notice, the Bank has violated the provisions of Section 5(12) of the Act; and
2. This Order is authorized and appropriate under the provisions of Section 48(8) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED:

1. Amalgamated Bank of Chicago, Chicago, Illinois shall be and hereby is assessed a civil monetary penalty in the amount of \$1000.00;
2. The civil monetary penalty in the amount of \$1000.00 shall be paid no later than sixty (60) days after service of this Order upon the Bank; and
3. The civil monetary penalty in the amount of \$1000.00 shall be paid by means of a certified check or money order made payable to the Office of Banks and Real Estate.

ORDERED THIS 4th DAY OF May 2004.

Scott D. Clarke
Assistant Commissioner
State of Illinois
Office of Banks and Real Estate

You are hereby notified that this Order is an administrative decision. Pursuant to 38 Ill. Adm. Code, Section 392, any party may file a request for a hearing on an administrative decision. The request for a hearing shall be filed within 10 days after the receipt of an administrative decision. A hearing shall be held within thirty (30) days after the receipt by the Commissioner of Banks and Real Estate of a request for a hearing. Absent a request for hearing, this Order shall constitute a final administrative Order subject to the Administrative Review Law, [735 ILCS 5/3-101].