

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:

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2007-MBR-28

CNB FINANCIAL CORPORATION

License No. MB.0006319

Attn.: Courtney Black

4749 Lincoln Mall Dr., Suite 500

Matteson, IL 60443

ORDER REVOKING LICENSE

THE DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (the "Department"), having conducted an examination of the facts related to CNB Financial Corporation (the "Licensee") and having found that the Licensee committed violations of the Residential Mortgage License Act of 1987 (the "Act") [205 ILCS 635], and of the rules promulgated under the Act (the "Rules") [38 Ill. Adm. Code 1050], hereby issues this ORDER pursuant to the authority provided under Section 4-5 (h)(1) of the Act. The Department makes the following:

FINDINGS

1. That CNB Financial Corporation is an Illinois residential mortgage licensee holding license No. MB.0006319 and located per official Department records at 4749 Lincoln Mall Drive, Suite 500, Matteson, Illinois 60443, but with an application for change of address pending for 21141 Governors Highway, Suite 114, Matteson, Illinois 60443;
2. That the Department issued a conditional license to Licensee covering the period November 26, 2006 to May 25, 2007, and that the conditional license required Licensee to satisfy all Department supervisory requests, resolve all pending disciplinary matters under Department review, and submit to a regular examination;
3. That the Department examined Licensee starting on April 2, 2007 for the period June 1, 2004 through January 31, 2007 and the examination report for said examination cites violations of annual audit (Act Section 3-2), net worth requirement (Act Section 3-5 and Rules Section 1050.410), report required of Licensee; false statements; delay; penalties (Act Section 4-4(b)), continuing education requirements for loan originators (Rules Section 1050.2120), and change of ownership, control or name or address of licensee (Rules Section 1050.480(b));
4. That of the violations cited in paragraph 3 above, the Department cited Licensee for repeat violations not corrected from prior examination of the net worth requirement (Act Section 3-5 and Rules Section 1050.410) and annual audit (Act Section 3-2);

5. That the examiner noted under the net worth violation in the examination report that Licensee produced financial statements and a compilation report (unsigned) prepared by Jog'm Financial Services ("Jog'm"), that the examiner noted that Jog'm was not a certified public accountant ("CPA") as required under the Act and during the exit interview the Licensee was given time to produce financial statements produced by a CPA;
6. That the examination report then noted that Licensee later presented the same set of financial statements and reports, but this time on paper with typewritten heading of "Hollins Accounting, Inc." and signed by James H. Hollins, CPA ("Hollins") and that the names Jog'm, Hollins Accounting, Inc. and Hollins did not appear on the Department's records of licensed CPA firms or individuals;
7. That the Department initiated an investigation whether or not a licensed CPA, as required per the Act, performed the compilation of Licensee's financial statements and during the course of the investigation collected evidence and interviewed individuals involved or purported to be involved in producing the financial statements;
8. That at or near the time that the Licensee's conditional license expired and based upon the violations cited in the examination report and information available from the continuing investigation, the Department issued to Licensee a refusal to renew its license number MB.0006319;
9. That the Department's investigation collected evidence from interviews and documents including, but not limited to, the statement of Jog'm's owner, Rita Moore, that she had prepared the financial compilation for Licensee and was not a licensed CPA and statement of Hollins that although he was aware of Licensee, and its owner Courtney Black through a family relationship, he had never seen the financial statements or prepared them for Licensee and that someone had forged his signature on the financial statements; Hollins further stated to the Department that he had both retired as a CPA and sold his accounting business named Hollins Tax and Accounting Service, Inc. in 2004; and
10. That the Department finds upon review of the examination report and ROI that Licensee is in violation of the Act and Rules for each of the cited sections in the examination report and herein, and that violation of Section 4-4(b) of the Act is found in that Licensee deliberately, willfully or knowingly made, subscribed to or caused to be made a false entry on a financial statement with the intent to deceive the Department.

CONCLUSIONS

BASED UPON THE ABOVE FINDINGS, THE DEPARTMENT IS OF THE OPINION AND CONCLUDES:

Notwithstanding notices and other efforts by the Department, Licensee has violated Sections 3-2, 3-5, 4-4 (b) of the Act and Sections 1050.410, 1050.480, and 1050.2120 of the Rules and is therefore in violation of Section 4-5(i) (11) and (17) of the Act.

ORDER

NOW, THEREFORE IT IS HEREBY ORDERED that the license of CNB FINANCIAL CORPORATION, License No. MB.0006319 is revoked by Order of the Department pursuant to 4-5 (h) (1) of the Act for failure to comply with the provisions cited herein of the Act and Rules, effective 10 days after receipt of this Order, unless you request a hearing pursuant to the Act and Subpart N of the Rules, including remitting the hearing fee required by Section 1050.270 of the Rules.

ORDERED THIS 29TH DAY OF JUNE, 2007

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION,
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING

JORGE A. SOLIS
DIRECTOR

You are hereby notified that this Order is an administrative decision. Pursuant to 205 ILCS 635/4-12 and 38 Ill. Admin. Code 1050.1510 et seq. any party may file a request for an administrative decision. The request for a hearing shall be filed within 10 days after receipt of an administrative decision and the Department shall hold the hearing after receipt of said request. Absent a request for a hearing, this Order shall constitute a final administrative Order subject to the Administrative Review Law [735 ILCS 5/3-101 et seq.].