

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

In the Matter of:)	
Jerry F. Miceli)	
Former President and Director)	AA-EC-12-82
Western Springs National Bank & Trust)	
Western Springs, IL)	

CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate prohibition and civil money penalty proceedings against Jerry F. Miceli (“Respondent”) pursuant to 12 U.S.C. §§ 1818(e), and (i) on the basis of Respondent’s activities while serving as President and member of the Board of Directors of Western Springs National Bank & Trust, Western Springs, IL (“Bank”) until his resignation from the Bank in November 2011;

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, Respondent, without admitting or denying any wrongdoing, desires to enter into this Consent Order (“Order”) issued pursuant to 12 U.S.C. §§ 1818(e), and (i);

NOW, THEREFORE, in consideration of the above premises, it is stipulated by and between the Comptroller, through his duly authorized representative, and Respondent that:

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Article I

JURISDICTION

(1) The Bank is a national banking association, chartered and examined by the Comptroller, pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.* Accordingly, the Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) Respondent is a former President and member of the Bank’s Board of Directors and is an “institution-affiliated party” of the Bank as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years from the date hereof (*see* 12 U.S.C. § 1818(i)(3)).

(3) Pursuant to 12 U.S.C. § 1813(q), the Comptroller is the “appropriate Federal banking agency” to maintain an enforcement proceeding against institution-affiliated parties. Therefore, Respondent is subject to the authority of the Comptroller to initiate and maintain prohibition, and civil money penalty actions against him pursuant to 12 U.S.C. §§ 1818(e) and (i).

Article II

COMPTROLLER’S FINDINGS

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller finds, and Respondent neither admits nor denies, the following:

(1) Respondent served as President and Director of the Bank until his resignation in November 2011.

(2) During the period February 2004 through June 2009, Respondent engaged in serious misconduct related to making loans to certain loan customers with whom the Bank's Chairman of the Board and the Bank's Chief Financial Officer each had a close financial relationship.

(3) Respondent submitted at least ten (10) loan presentations related to those certain loan customers to the Bank's Directors Loan Committee that Respondent knew or should have known were materially false. Respondent variously failed to accurately represent the business experience of the borrower, the true beneficiary of the loan, and/or the borrower's delinquent payment history on Bank loans.

(4) Respondent caused or allowed the Bank to mishandle more than ten (10) checks from and for the benefit of those certain loan customers that were returned for non-sufficient funds ("NSF checks"). Respondent caused or allowed the Bank to apply uncollected funds from the NSF checks to loan payments owed by those certain loan customers and failed to ensure that such loan payments were reversed. Respondent also failed to ensure that the loans were placed on nonaccrual as required by regulatory guidance.

(5) Respondent's conduct related to the NSF checks and his failure to place the loans on nonaccrual caused the Bank to file materially misstated Consolidated Reports of

Income and Condition (“Call Reports”) beginning with the third quarter 2007 Call Report and continuing through the first quarter 2009 Call Report in violation of 12 C.F.R. § 161.

(6) In September 2008, Respondent caused the Bank to “over-advance” a line of credit to a Bank customer by \$873,000 exceeding the express direction of the borrower and the loan amount approved by the Bank’s Directors Loan Committee. The “over-advance” was unsafe or unsound and exceeded Respondent’s loan authority.

(7) By reason of the foregoing conduct, Respondent engaged in violations of law, reckless unsafe or unsound practices, a pattern or practice of misconduct, breached his fiduciary duty to the Bank; demonstrated personal dishonesty, and a willful or continuing disregard for the safety and soundness of the Bank that resulted in risk of loss to the Bank’s depositors, and substantial losses to the Bank.

Article III

ORDER OF PROHIBITION

Respondent consents to, and it is ORDERED that:

(1) With respect to the institutions and agencies set forth in paragraph (2) of this Article, Respondent hereby agrees that he shall not:

- (a) participate in any manner in the conduct of their affairs;
- (b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights;

- (c) violate any voting agreement previously approved by the
“appropriate Federal banking agency,” as defined in 12 U.S.C.
§ 1813(q) (as amended); or
- (d) vote for a director, or serve or act as an “institution-affiliated party,”
as defined in 12 U.S.C. § 1813(u) (as amended).

(2) The prohibitions in paragraph (1) of this Article apply to the following institutions and agencies:

- (a) any insured depository institution, as defined in 12 U.S.C. § 1813(c);
- (b) any institution treated as an insured depository institution under
12 U.S.C. §§ 1818(b)(3), (b)(4) or (b)(5), including, but not limited
to, bank holding companies and any subsidiary of such institution, or
treated as a savings and loan holding company or subsidiary under
12 U.S.C. § 1818(b)(9) (as amended);
- (c) any insured credit union under the Federal Credit Union Act;
- (d) any institution chartered under the Farm Credit Act of 1971;
- (e) any appropriate Federal depository institution regulatory agency; and
- (f) the Federal Housing Finance Board and any Federal Home Loan
Bank.

(3) The prohibitions of paragraphs (1) and (2) of this Article shall cease to apply with respect to a particular institution if Respondent obtains the prior written

consent of both the Comptroller and the institution's "appropriate Federal financial institutions regulatory agency," as defined in 12 U.S.C. § 1818(e)(7)(D) (as amended).

(4) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(e) and (h) (as amended).

Article IV

ORDER FOR CIVIL MONEY PENALTY

Respondent consents to, and it is ORDERED that:

(1) Respondent shall pay a civil money penalty in the amount of seventy-five thousand dollars (\$75,000.00), to be paid according to the following payment schedule:

- (a) Payment of \$25,000 upon execution of this order;
- (b) Payment of \$12,500 on or before April 25, 2013;
- (c) Payment of \$12,500 on or before July 25, 2013;
- (d) Payment of \$12,500 on or before October 25, 2013; and
- (e) Payment of \$12,500 on or before January 25, 2014.

(2) Respondent shall make payment by certified check or money order, according to the payment schedule outlined above, made payable to the Treasurer of the United States and shall deliver the payment to: Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri 63197-9000. The docket number of this case (AA-EC-12-82) shall be entered on all checks.

(3) If Respondent fails to comply with any provision of this Order, then the entire balance of the civil money penalty amount described in this Article shall become immediately due and payable.

(4) Upon execution of this Order, Respondent shall notify the Director of the Enforcement & Compliance Division (“Enforcement Director”) of the address of his current place of residence, by completing the appropriate section of the form attached hereto as Appendix A and returning it with this Order.

(5) Until the \$75,000 civil money penalty is paid in full, upon each and every subsequent change in place of residence, if any, Respondent shall notify the Enforcement Director of his new address within seven (7) days of such change in address.

(6) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to § 1818(i) and (h) (as amended).

Article V

BANKRUPTCY

(1) If Respondent files for bankruptcy protection prior to payment in full of the civil money penalty ordered in Article IV, Respondent shall notify to Enforcement Director within ten (10) days of the filing and shall provide a copy of the filing to the Enforcement Director.

(2) In any bankruptcy proceeding in which it is or may be contended that Respondent's obligations to pay a civil money penalty pursuant to this Order is subject to discharge, respondent will in no manner contest the assertion of the Comptroller or any agent, officer, or representative of the United States, pursuant to 11 U.S.C. § 523(a) or otherwise, that the civil money penalty in this Order arises out of acts which result in claims not dischargeable in bankruptcy.

Article VI

OTHER PROVISIONS

- (1) By consenting to the issuance of this Order, Respondent waives:
- (a) the right to the issuance of a Notice of Intention to Prohibit Further Participation and Notice of Civil Money Penalty Assessment under 12 U.S.C. §§ 1818(e) and (i);
 - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(e) and (i) and 12 C.F.R. Part 19;
 - (c) all rights to seek judicial review of this Order;
 - (d) all rights in any way to contest the validity of this Order; and
 - (e) any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or this Order, whether arising under common law or under the terms of any statute, including, but not

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limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and
28 U.S.C. § 2412.

(2) Respondent acknowledges that he has read and understands the premises and obligations of this Order and declares that no separate promise or inducement of any kind has been made by the Comptroller, his agents or employees to cause or induce him to agree to consent to the issuance of this Order or to execute this Order.

(3) This Order constitutes a settlement of prohibition and civil money penalty proceedings arising out of the specific acts, omissions, or violations described in the Comptroller's Findings (Article II of this Order). However, the specific acts, omissions, or violations described in Article II may be used by the OCC in future enforcement actions to establish a pattern or practice of misconduct or the continuation of a pattern or practice of misconduct.

(4) This Order shall not be construed as an adjudication on the merits and, except as set forth above in paragraph (4), shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting Respondent if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(5) Nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and nothing herein constitutes, nor shall Respondent

contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

IN TESTIMONY WHEREOF, the undersigned has hereunto set his hand.

s/Jerry F. Miceli

2/27/13

Jerry F. Miceli

Date

IT IS SO ORDERED.

s/Kristina B. Whitaker

March 13, 2013

Kristina B. Whitaker
Deputy Comptroller for Special Supervision

Date