

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

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<b>In the Matter of:</b>	)	
	)	AA-EC-12-139
Ruben Ybarra, former loan officer,	)	
	)	
CenTrust Bank, N.A.	)	
Northbrook, IL	)	
_____	)	

**CONSENT ORDER**

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”), intends to initiate an enforcement proceeding pursuant to 12 U.S.C. § 1818 against Ruben Ybarra (“Mr. Ybarra” or “Respondent”), former loan officer, CenTrust Bank, N.A., Northbrook, Illinois (“Bank”); and

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

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 served as a loan officer of the Bank 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 cease and desist actions against him pursuant to 12 U.S.C. §§ 1818 (b), (e), and (i).

Article II

COMPTROLLER’S FINDINGS

The Comptroller finds, and Respondent neither admits nor denies, the following:

(1) From 2006 to 2008, Respondent worked as a loan officer at the Bank.

(2) During 2007 and 2008, Mr. Ybarra did not disclose to the Bank that he received two \$10,000 payments in return for inducing the Bank to make certain loans: one from a borrower on one loan (“Customer A”) and one from the seller of a property that was the subject of another loan. He also failed to disclose to the Bank that he had

made several high-interest, short-term loans, using his own funds, to Customer A. The borrowers defaulted on these Bank loans, causing the Bank to incur significant financial losses.

(3) In 2007, Mr. Ybarra used a straw borrower to conceal from the Bank that he held a controlling ownership interest in an entity that received a \$1.4 million loan from the Bank. This loan caused the Bank to unknowingly violate 12 C.F.R. § 32.3(a) and 12 U.S.C. § 84 because, when aggregated with other loans made by the Bank to Mr. Ybarra, the loans outstanding to Mr. Ybarra exceeded limits on loans to one borrower.

(4) In 2007, Mr. Ybarra purchased a controlling interest in a company that had received several loans from the Bank, on which loans Mr. Ybarra had served as loan officer. Mr. Ybarra did not inform the Bank of his purchase of a controlling interest in this borrower, despite continuing to serve as loan officer on several additional loans by the Bank to this company. Further, Mr. Ybarra put his own interests ahead of the Bank's by recording his own mortgage on a property securing the Bank's loans and by releasing the Bank's mortgage on that property without the knowledge or consent of the Bank.

(5) By reason of the foregoing conduct, Respondent also engaged in violations of law, including 18 U.S.C. §§ 215, 656 and 1344. Respondent also committed reckless unsafe or unsound practices; engaged in a pattern or practice of misconduct; breached his fiduciary duty to the Bank; and exhibited personal dishonesty and a willful and continuing disregard for the law that resulted in personal gain and unjust enrichment to himself and substantial losses to the Bank.

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby ORDERS that:

Article III

ORDER OF PROHIBITION

(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), any insured credit union under the Federal Credit Union Act; any institution chartered under

the Farm Credit Act of 1971; any appropriate Federal depository institution regulatory agency; and 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.

#### Article IV

##### CEASE AND DESIST ORDER FOR REIMBURSEMENT OF LOSS

(1) Mr. Ybarra shall reimburse the Bank for \$25,000 of the losses it has suffered with respect to the aforementioned loans. The full amount of the reimbursement is due upon execution of this document. Respondent shall make payment by certified check or money order and shall deliver the payment to the Board of Directors, CenTrust Bank, N.A., 385 Waukegan Road, Northbrook, IL 60062. Respondent shall send a copy of the check or money order to the Director, Enforcement and Compliance Division, 250 E Street, SW, Washington, DC 20219.

(2) 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.

Article V

WAIVERS

- (1) By executing this Order, Respondent waives:
- (a) the right to the issuance of a Notice of Charges under 12 U.S.C. § 1818;
  - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818 and 12 C.F.R. Part 19;
  - (c) all rights to seek judicial review of this Order;
  - (d) all rights to contest in any way 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 limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

(2) Respondent shall not cause, participate in or authorize the Bank (or any subsidiary or affiliate thereof) to incur, directly or indirectly, any expense for any legal (or other professional) expense relative to the negotiation and issuance of this Order except as permitted by 12 C.F.R. § 7.2014 and Part 359; and Respondent shall not, directly or indirectly, obtain or accept any indemnification (or other reimbursement) from the Bank (or any subsidiary or affiliate thereof) with respect to such amounts except as permitted by 12 C.F.R. § 7.2014 and Part 359.

(3) Respondent 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 Respondent to agree to consent to the issuance of this Order and/or to execute this Order.

(4) This Order constitutes a settlement of the prohibition and reimbursement of loss proceeding contemplated by the Comptroller and arising out of the specific acts, omissions, or violations described in Article II of this Order. However, the specific acts, omissions or violations described in Article II of this Order may be used by the Comptroller in future enforcement actions to establish a pattern or practice of misconduct or the continuation of a pattern or practice of misconduct.

(5) The provisions of 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.

(6) Respondent understands that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and that 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 have hereunto set their hands.

/s/ Kristina B. Whittaker  
Kristina B. Whittaker  
Deputy Comptroller for Special Supervision

1/22/13  
Date

/s/ Ruben Ybarra  
Ruben Ybarra

12/31/12  
Date