

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

IN THE MATTER OF:	)	
	)	No. 2006-MBR-52
<b>1<sup>st</sup> LIBERTY BANC, INC.</b>	)	
Attn.: Margaret Antonik	)	
4343 N. Harlem Avenue	)	
Norridge, IL 60706	)	
License No: MB.0005343	)	

**CONSENT ORDER**

The Department of Financial and Professional Regulation, Division of Banking, of the State of Illinois (hereinafter referred to as the "Department") and 1st Liberty Banc, Inc. (hereinafter referred to as "1st Liberty") hereby enter into this Consent Order (hereinafter referred to as the "Consent Order") and stipulate, admit and agree to the following:

**STIPULATIONS AND ADMISSIONS**

On March 31 and April 3, 2006, the Department issued Orders No. 2006-MBR-10 & 11 to 1st Liberty. 1st Liberty filed a timely request for administrative hearing upon receipt of said disciplinary orders and an administrative hearing was commenced, but not concluded, on July 25, 2006. In lieu of concluding said administrative hearing, the parties agree to resolve all matters pertaining to Orders No. 2006-MBR-10 & 11 herein. 1st Liberty admits that on March 30 or March 31, 2006, the owner of 1<sup>st</sup> Liberty was out of state on vacation and therefore away from the office at 4343 N. Harlem Avenue, Norridge, Illinois and did not have an adequate procedure in place at that time to allow the Department's examiners access to the owner's locked files so they could conduct a special examination on March 30 or March 31, 2006. Both parties stipulate that the Department has full authority under the Residential Mortgage License Act of 1987 (the "RMLA") to perform such special examinations at the determination

of the Department, and that unlike typical regular examinations, special examinations may be without advance notice to a licensee by the Department. Both parties stipulate that the special examination of 1<sup>st</sup> Liberty was one of several licensees selected for a special examination on or about the same time period with the objective to effectively regulate the Illinois mortgage industry by enforcing the implementation of the High Risk Home Loan Act (the "HRHLA"). Both parties stipulate that 1<sup>st</sup> Liberty made its records available for the Department upon the owner's return starting April 3, 2006, and cooperated with the Department in the actual conduct of its examination on April 5, 2006. Both parties stipulate that the Department found 1<sup>st</sup> Liberty's loan originators to be registered as required under the RMLA and in compliance with the HRHLA, and that 1<sup>st</sup> Liberty has subsequently adopted a procedure to allow the Department access to its records in the owner's absence.

### **TERMS AND CONDITIONS**

WHEREFORE, the Department and 1st Liberty agree as follows:

- I. The Department imposes a reprimand on 1<sup>st</sup> Liberty pursuant to its authority under Section 4-5(h)(4) of the RMLA for its initial failure to cooperate in the Department's special examination.
- II. The Department agrees to rescind Orders No. 2006-MBR-10 & 11 upon 1<sup>st</sup> Liberty complying with Section III of this Consent Order.
- III. Upon executing this Consent Order, 1<sup>st</sup> Liberty shall pay the Department pursuant to Sections 4-1(l) and 4-11 of the RMLA a fee of ten thousand (\$10,000) dollars as reimbursement of the Department's extraordinary administration, legal, examination, and other expenses in connection with matters contained within this Consent Order. 1<sup>st</sup> Liberty agrees to submit this \$10,000 payment to the Department within 30 days of final approval of the Consent Order.

- IV. 1st Liberty agrees to dismiss its petition for hearing and administrative review of Orders No. 2006-MBR-10 & 11 and waives any right to re-file its petition, or file any petition or other appeal of said orders or of this Consent Order. 1st Liberty acknowledges that it has been represented by legal counsel in negotiating this Consent Order, and that it willingly enters into this Consent Order, upon advice of counsel, and after full review, evaluation, and consideration and with full knowledge of its rights under the RMLA and Illinois Administrative Procedure Act.
- V. The Department enters into the Consent Order for the purpose of imposing measures that are fair and equitable in the circumstances and that are consistent with the best interests of the people of the State of Illinois.
- VI. The Consent Order shall become effective upon all the parties hereinafter designated signing and dating the Consent Order and on the date that the last of those designated for the Department sign and date the Consent Order.

The foregoing Consent Order is approved in full.

\_\_\_\_\_ date: \_\_\_\_\_  
MARGARET ANTONIK  
1<sup>ST</sup> LIBERTY BANC, INC.

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING

\_\_\_\_\_ date: January 11, 2007  
D. LORENZO PADRON  
DIRECTOR