

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

AND

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

SPRINGFIELD, ILLINOIS

	)	
In the Matter of	)	AMENDED
	)	CONSENT ORDER
AMERICAN METRO BANK	)	
CHICAGO, ILLINOIS	)	FDIC-11-513b
	)	2011-DB-58a
(ILLINOIS CHARTERED	)	
INSURED NONMEMBER BANK)	)	
	)	

The Federal Deposit Insurance Corporation ("**FDIC**") and the State of Illinois Department of Financial and Professional Regulation, Division of Banking, ("**Division**") issued a CONSENT ORDER ("**ORDER**") against American Metro Bank, Chicago, Illinois ("**Bank**") dated February 8, 2012. The FDIC and the Division have determined that it is necessary to amend the existing ORDER to address serious new financial conditions and circumstances.

The Bank, having already been advised of its rights to a NOTICE OF CHARGES AND OF HEARING detailing the additional unsafe and unsound banking practices alleged to have been committed by the Bank, and of its right to a hearing on those charges under

section 8(b) of the Federal Deposit Insurance Act ("**Act**"), 12 U.S.C. § 1818(b), and under 38 Ill. Adm. Code 392 regarding hearings before the Division and, having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN AMENDED CONSENT ORDER ("**STIPULATION**") with the representatives of the FDIC and the Division, dated May 12, 2015, whereby, solely for the purpose of this proceeding and without admitting or denying the additional charges of unsafe and unsound banking practices alleged, the Bank consented to the issuance of an AMENDED CONSENT ORDER ("**AMENDED ORDER**") by the FDIC and the Division.

The FDIC and the Division considered the matter and determined that the requirements for issuance of an amendment to an order under 12 U.S.C. § 1818(b) and 38 Ill. Adm. Code 392 have been satisfied. The FDIC and the Division therefore accepted the STIPULATION and now **HEREBY ORDER** that the ORDER be and is hereby amended to require the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns, to take the following additional affirmative actions:

NEW BOARD MEMBER

1. Within one hundred and twenty (120) days from the effective date of the AMENDED ORDER, the Bank shall add to its board of directors, one (1) new member who is an independent,

outside director, who has prior senior management or board experience in a bank or financial institution. For purposes of this AMENDED ORDER, a person who is an independent, outside director shall be an individual: (a) who is not an officer of the bank, any subsidiary of the Bank, or any of its affiliated organizations; (b) who does not own more than five percent of the outstanding shares of the Bank; (c) who is not related by blood or marriage to an officer or director of the Bank or to any shareholder owning more than five percent of the Bank's outstanding shares, and who does not otherwise share a common financial interest with such officer, director or shareholder; and (d) who is not indebted to the Bank directly or indirectly by blood, marriage, or common financial interest, including the indebtedness of any entity in which the individual has a substantial financial interest in an amount exceeding five percent of the Bank's total Tier 1 capital and allowance for loan and lease losses; or (e) who is deemed to be an independent director for purposes of this AMENDED ORDER by the Regional Director and Division. The addition of any new Bank director required by this paragraph may be accomplished, to the extent permissible by state statute or the Bank's bylaws, by means of appointment or election at a regular or special meeting of the Bank's shareholders.

SUCCESSION PLAN

2. (a) Within ninety (90) days of the effective date of this AMENDED ORDER, the Bank shall formulate and adopt a written succession plan. The written succession plan shall address, at a minimum:

- (i) plans for the continued operation during any vacancy of any director or senior executive officer and;
- (ii) procedures for the timely replacement of any such director or senior executive officer.

(b) A copy of the plan required by this paragraph shall be submitted to the Regional Director and Director.

PROHIBITION OF ADDITIONAL LOANS TO CLASSIFIED BORROWERS

3. (a) As of the effective date of this AMENDED ORDER, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who is already obligated in any manner to the Bank on any extensions of credit (including any portion thereof) that has been charged off the books of the Bank or classified "Loss" in the Joint Report of Examination as of May 27, 2014 ("ROE"), so long as such credit remains uncollected unless the Bank's board of directors has adopted, prior to the extension of credit, a detailed written statement giving the reasons why such extension of credit is in the best interest of the bank. A copy of the

statement shall be signed by each director and incorporated in the minutes of the applicable board of director's meeting. A copy of the statement shall be placed in the appropriate loan file.

(b) As of the effective date of this AMENDED ORDER, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower whose loan or other credit has been classified "Substandard", "Doubtful", or is listed for Special Mention in the ROE, and is uncollected unless the Bank's board of directors has adopted, prior to such extension of credit, a detailed written statement giving the reasons why such extension of credit is in the best interest of the Bank. A copy of the statement shall be signed by each Director, and incorporated in the minutes of the applicable board of directors' meeting. A copy of the statement shall be placed in the appropriate loan file.

LIQUIDITY

4. (a) Within one hundred and twenty (120) days of the effective date of this AMENDED ORDER, the Bank shall obtain a review of the bank's liquidity and funding risk management program by an independent party as set forth in the guidance provided by the March 2010 *Interagency Policy Statement on Funding and Liquidity Risk Management, FIL-13-2010*, including an

evaluation of and recommendations for revising the Bank's minimum liquidity ratio.

(b) On the last Friday of each month, the Bank shall submit to the Regional Director of the FDIC's Chicago Regional Office ("**Regional Director**") and the Division a liquidity analysis report, in a format acceptable to the Regional Director and the Division.

(c) As part of the Bank's Liquidity Plan, the Bank shall establish and/or maintain an account relationship with the Federal Reserve Bank of Chicago which is capable of exchanging and settling payment transactions through a clearing account balance.

CONCENTRATIONS OF CREDIT

5. (a) Within sixty (60) days, from the effective date of this AMENDED ORDER the Bank will formulate, adopt and implement a written plan to reduce the individual borrower loan concentrations of credit identified in the ROE. Such plan shall prohibit any additional advances that would increase the concentrations or create new concentrations and shall include, but not be limited to:

- (i) Dollar levels to which the Bank shall reduce each concentration; and
- (ii) Provision for the submission of monthly written progress reports to the Bank's board

of directors for review and notation in the minutes of the board of directors' meetings.

(b) A copy of the plan required by this paragraph shall be submitted to the Regional Director and the Division.

CORRECTION OF VIOLATIONS

6. Within sixty (60) days from the effective date of this AMENDED ORDER, the Bank shall correct and/or eliminate all violations of law and regulations, as well as contraventions of policy statements, cited in the ROE and shall adopt and implement appropriate procedures to ensure future compliance with all applicable federal and state laws, regulations, and statements of policy.

INFORMATION TECHNOLOGY

7. Within one hundred twenty (120) days from the effective date of this AMENDED ORDER, the Bank shall correct and/or eliminate all Information Technology deficiencies cited in the ROE consistent with the recommendations made therein.

BSA/AML PROGRAM

8. (a) Within thirty (30) days from the effective date of this AMENDED ORDER, the Bank shall develop, adopt, and implement revised written BSA/AML policies and procedures, which fully meet all applicable requirements of section 326.8 of the FDIC's Rules and Regulations, 12 C.F.R. § 326.8 and fully address the deficiencies cited in the ROE. These policies and

procedures shall comply with all federal and state laws and regulations, and shall include, but not be limited to:

- (i) Obtaining all required customer identification information;
- (ii) Timely responses to law enforcement inquiries; and
- (iii) Obtaining, analyzing, and maintaining sufficient customer information necessary to allow effective suspicious activity monitoring, including record-keeping and documentation of customer transactions.

(b) Within thirty (30) days from the effective date of this AMENDED ORDER, the Bank shall develop a BSA/AML training program that specifically addresses all banking products and services offered by the Bank. Such training shall specifically address, but not be limited to:

- (i) Customer due diligence; and
- (ii) Monitoring of high risk customers.

All such training shall be documented.

(c) Within thirty (30) days from the effective date of this AMENDED ORDER, the Bank shall establish a committee consisting of a majority of outside directors or officers not directly involved in the BSA/AML Program to provide guidance and

oversight to the BSA/AML Program. The BSA/AML committee shall keep minutes which shall be provided to the Board of Directors monthly. The Bank's Board of Directors shall evaluate the BSA/AML committee's minutes, record the results of the evaluation, and note any actions taken by the Bank in the minutes of the board of directors' meeting at which such evaluation is undertaken.

(d) Within thirty (30) days from the effective date of this AMENDED ORDER, the Bank shall develop, implement, and adhere to procedures for monitoring suspicious activity and filing of Suspicious Activity Reports related to any and all products and services offered by the Bank. Any suspicious activity shall be reported to the Board of Directors.

(e) Any and all law enforcement inquiries shall be reported to the Board of Directors and reflected in the Board minutes within thirty (30) days of the Bank's receipt of the inquiry.

(f) Within sixty (60) days from the effective date of this AMENDED ORDER, the Bank shall develop, implement, and adhere to a comprehensive BSA/AML internal audit program, which shall include a full review of the BSA/AML Program and sufficient transaction testing of the Bank's nontraditional products and services.

NOTIFICATION OF SHAREHOLDER

9. Following the effective date of this AMENDED ORDER, the Bank shall send to its shareholder a copy of this AMENDED ORDER: (1) in conjunction with the Bank's next shareholder communication; or (2) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting.

WRITTEN PROGRESS REPORTS

10. Within thirty (30) days of the end of each calendar quarter following the effective date of this AMENDED ORDER, the Bank shall furnish written progress reports to the Regional Director and the Division detailing the form and manner of any action taken to secure compliance with each provision of this AMENDED ORDER and the results thereof.

CLOSING PARAGRAPHS

The effective date of this AMENDED ORDER shall be the date of issuance by the FDIC and the Division.

The provisions of this AMENDED ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this AMENDED ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC and the Division.

All provisions of the existing ORDER shall remain in full

force and effect except as otherwise modified by this AMENDED
ORDER.

Pursuant to delegated authority.

Dated: May 20, 2015.

/S/
M. Anthony Lowe
Regional Director
Chicago Regional Office
Federal Deposit Insurance
Corporation

/S/
Michael J. Mannion
Director
Illinois Department of
Financial and Professional
Regulation
Division of Banking