

January 9, 2012

Report: Troubled Ill. bank seeking concessions on millions of dollars in loans

Rosemont, Ill.-based Cole Taylor Bank agreed to convert \$7.5 million in subordinated debt to preferred shares of Oak Brook, Ill.-based Leaders Group Inc. unit Leaders Bank, Crain's Chicago Business reported Jan. 9, citing Leaders Bank CEO John Gleason's confirmation.

According to the report, the move comes as part of a "rescue plan" and will improve Leaders Bank capital levels.

As recently reported, the family of Donald Kelly and other insiders agreed to invest approximately \$25 million in Leaders Bank. The bank's capital had fallen to the level of "undercapitalized" as of Sept. 30, 2011, and the FDIC had begun the process of soliciting bids for the assets and deposits of the troubled bank.

Leaders Group is in talks with Cole Taylor for potential concessions on Cole Taylor's loan of approximately \$16.3 million to Leaders Group, Crain's quoted Gleason as saying. The bank reportedly owes nearly \$24 million in loans to Cole Taylor.

The news outlet reported, citing Gleason, that a team of about five bankers, led by Naperville, Ill., branch head Brian England, has left to join Oak Brook-based Bancorp Financial Inc. unit Evergreen Bank Group.

Rosemont-based Taylor Capital Group Inc. is the holding company of Cole Taylor.

By Umair Iqbal