



## Consent Order

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1. G.D. Castillo M.D. Ltd. Profit Sharing Plan is a Single Employer Benefit Plan "the Plan" organized pursuant to United States Internal Revenue Service and U.S. Department of Labor rules and statutes;
2. G.D. Castillo M.D. Ltd is an Illinois registered corporation and the Plan Sponsor (the "Plan Sponsor") of the G.D. Castillo M.D. Ltd. Profit Sharing Plan;
3. Four employees of G.D. Castillo M.D. Ltd. are currently covered under the Plan;
4. From the time period of 1977 to the present, the Plan was not administered by an outside third party Plan administrator nor were the Plan assets managed by an outside third party money manager but rather both Plan administration and asset management were conducted by an employee of G.D. Castillo, M.D. Ltd. who did not have any specialized training, degrees or licenses in Pension Plan administration or Financial/Asset management;
5. As of October 12, 2004 (the date of the Plan's most recent filing with the Internal Revenue Service), the Plan had assets valued at \$2,905,730 consisting of \$2,016,743 of stock in CIB Bancshares, a residential home in Golden, Colorado valued at \$756,000 and \$123,987 in cash or cash equivalents;
6. The shares of CIB Bancshares stock were acquired by the Plan in private placement transactions pursuant to Regulation D of the Securities and Exchange Commission;
7. As such, the above-referenced shares of CIB Bancshares stock were not registered with the Illinois Secretary of State, the Securities and Exchange Commission nor any other state regulatory agency and thus were subject to certain restrictions regarding their sale and transferability;
8. On December 31, 2000, Melody Maxwell a former employee of G.D. Castillo Ltd., ended her employment with the

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Plan Sponsor and received a rollover distribution of her share of the Plan;

9. As part of her distribution, Ms. Maxwell received 6,892 shares of CIB Bancshares stock valued at the time of the distribution at \$135,841.32 in lieu of cash;
10. At the time of the distribution, the Plan failed to inform Ms. Maxwell of the restrictions placed upon CIB Bancshares stock and that there was no ready market for transactions in CIB Bancshares stock.
11. The above-referenced CIB Bancshares stock are securities as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
12. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
13. That by virtue of the foregoing, the Respondent has violated Section 12.A of the Act;
14. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act; and
15. That by virtue of the foregoing, the Respondent is subject to a fine of up to \$10,000.00 per violation.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph eight (8) of the Stipulation shall be adopted as the Secretary of State's Conclusion of Law as follows:

1. That by virtue of the foregoing, G.D. Castillo, M.D. Ltd Profit Sharing Plan has violated Section 12.A of the Act; and

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2. That by virtue of the foregoing, G.D. Castillo M.D. Ltd Profit Sharing Plan is subject to a fine of up to \$10,000 per violation.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The allegations contained in paragraphs seven (7) and eight (8) of the Stipulation shall be and are hereby adopted as the Secretary of State's Findings of Fact and Conclusion of Law;
2. The Respondent shall pay a monetary payment of \$5,000 to the Securities Audit and Enforcement Fund by check made payable to the Secretary of State within fifteen (15) days from the entry of the Consent Order representing a reimbursement to the Department of costs of investigation;
3. In exchange for the total amount of CIB Bancshares stock distributed to Ms. Maxwell by the Respondent on December 31, 2000 and returned back to the Respondent, the Respondent shall within thirty (30) days of the entry of the Consent Order pay back to Ms. Melody Maxwell, the amount of \$135,841.32 in the form of a rollover distribution to a qualified custodian of her choice;
4. The Respondent shall in the future make all distributions to Plan beneficiaries in cash and will not make distributions in kind unless the beneficiary requests an in kind distribution in writing. Additionally, the Respondent shall amend Plan documents to include this requirement within thirty (30) days of the date of entry of the Consent Order;
5. Within One Hundred and Twenty (120) days of the date of entry of the Consent Order the Respondent shall appoint and select an unaffiliated outside administrator and fund manager for the Plan (who may be the same person) and who is not objectionable to the Department;

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6. Within One Hundred and Twenty (120) days of the date of entry of the Consent Order, the Respondent will amend the Plan documents to include a requirement that the Plan must be administered by an unaffiliated outside administrator and fund manager who may be the same person; and
7. The formal hearing scheduled on this matter is hereby dismissed without further proceeding.

ENTERED: This / day of *September*, 2005.

*Jesse White* 

JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

Attorney for the Secretary of State:  
David Finnigan  
Illinois Securities Department  
300 W. Jefferson St., Suite 300A  
Springfield, Illinois 62702  
Telephone: (217) 785-4947