



This banker isn't merging

3rd layoff spurs him to launch his own bank in Woodstock

By Robert Channick
Special to the Tribune

Chief Financial Officer Steve Finzel knew the numbers didn't add up for him when his employer, Illinois State Bank, was acquired last summer by North Shore Bank.

"I was a CFO and they had a CFO," said Finzel, 51, who spent eight years at the Lake in the Hills bank.

Merged out of a job for the third time in his banking career, Finzel found the market for senior vice presidents with three decades of experience to be less than bullish and decided to start his own bank.

Finzel filed a proposal with the state in December to launch Golden Eagle Bank, a \$14 million venture in Woodstock, and enlisted the support of McHenry real estate developers Brian and John Cunat, brothers who were on the Illinois State Bank board. The group expects to get a permit to organize in the near future, with an eye toward

a summer opening. This would be the first bank startup in McHenry County in seven years, officials said.

Mergers and acquisitions reduced the number of banks nationally by nearly 48 percent between 1984 and 2003, according to a 2004 FDIC report. Locally owned banks declined in lock-step, officials said.

Illinois, however, remains a relative bastion of community banking, with nearly 700 locally owned institutions, said Scott Clarke, assistant director of the Illinois Department of Financial and Professional Regulation's banking division.

Twenty seven banks have received state charters since 2001, many led by executives squeezed out by mergers and acquisitions, Clarke said.

While expertise and experience may give these executives a leg up, funding is the ultimate determinant, with state law requiring \$3 million to \$6 million in startup capital.

"If you're going to be in the Chicago metropolitan area, you're probably needing about \$8 million to \$10 million to start a bank," Clarke said.

Once a permit to organize is issued, the bank has six months to raise the money and get the



Steve Finzel (right) stands in front a building that he and Kurt Parker say will house Golden Eagle Bank, at Illinois Highway 47 and Country Club Hills Road in Woodstock. Tribune photo by Jim Prisching

charter to open its doors. Often, those doors are attached to a trailer or another temporary facility, a hedge against coming up short, Clarke said.

Finzel, a Woodstock resident, is building a \$1.5 million facility at Illinois Highway 47 and Country Club Road and hopes to complete it and fundraising and receive his charter by summer.

"We really want to open our doors with a facility and not

open with a trailer," Finzel said. Finzel believes he can succeed with a personal touch. "You walk in my front door, you're my responsibility, and when you leave you're still my responsibility," he said.

Finzel's old bank is about 10 miles away and will be among Golden Eagle's competition. It is the first Illinois branch for the 84-year-old North Shore Bank, which has 41 branches in

Wisconsin and is based near Milwaukee.

"They're starting from scratch with a new bank," said Steve Steiner, senior vice president of North Shore. "We're not overly concerned about them."

Finzel, who is already talking about expansion, looks forward to retiring his resumé, saying: "Consolidation kept happening to me, and I didn't want to go through it a fourth time."