

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF ILLINOIS  
PEORIA DIVISION

STEPHANIE BALESIEFEN )

Plaintiff )

v. )

PRINCETON NATIONAL BANCORP, )

INC. d/b/a CITIZENS NATIONAL BANK )

OF PRINCETON, a National Banking )

Association )

Defendant )

Case No. 10-1263  
Judge Joe Billy McDade  
Magistrate Judge Byron G. Cudmore

**JURY DEMAND**

**SECOND AMENDED COMPLAINT**

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Now comes the Plaintiff, Stephanie Balensiefen, by Richard L. Steagall, her attorney, and complaining of the Defendant, Princeton National Bancorp Inc. d/b/a Citizens National Bank of Princeton, for her claims states:

**I.  
Jurisdiction & Venue**

**A. Federal Question**

1. Jurisdiction to hear the Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e-2 (a)(1), 2000e-3 (a)– 42 U.S.C. §§ 2000e-2 (a)(1), 2000e-3 (a) – is founded under 42 U.S.C. § 1337 & 1343 (a)(4). Supplemental jurisdiction to hear the claims under Illinois Whistleblower’s Act, 740 ILCS 174/1 et seq (2004 and Section 1-102 (A) and 2-102 (A) of the Illinois Human Rights Act 775 ILCS 5/1-102 (A); 2-102 (A)(2008) exists under 28 U.S.C. § 1367 (a).

**B. Diversity of Citizenship**

2. Jurisdiction over the state claims is also founded on diversity of citizenship under 28 U.S.C. § 1332 (a)(1), (c)(1).

3. The citizenship of the parties is as follows:

- a. Plaintiff is a citizen of the State of Florida residing in Longwood, Florida.
- b. Defendant Princeton National Bancorp, Inc. d/b/a Citizens National Bank of Princeton is a corporation organized under the laws of the State of Delaware as a bank holding company with its principal place of business in the State of Illinois.

**C. Venue**

4. Plaintiff is a resident of Seminole County, Florida. Defendant is corporation that conducts business in North Central Illinois with its principal place of business in Princeton, Bureau County, Illinois. The claim arose in Bureau County, Illinois. Venue exists in this court under 28 U.S.C. § 1391 (a), (b). This case is assigned to the Peoria Division of this court under Local Rule 40.1.

5. The incident complained of occurred on **September 17, 2009** in the City of Princeton, Bureau County, Illinois.

## **II. The Parties**

6. Plaintiff, Stephanie Balensiefen, is a 35 year old married female with children who was employed as a Mortgage Loan Originator assigned to the Princeton banking facility from September 1, 2005 until the termination of her employment on September 27, 2009. Her supervisor was Joel Hambleton, Vice President of Mortgage Banking, who was located in Spring Valley where Mortgage Loan Processing was done. It was standard in the industry to have Mortgage Loan Originators at locations separate from the Loan Processing Department.

7. Defendant, Princeton National Bancorp, Inc. d/b/a Citizens National Bank of Princeton (“Citizens”) is a corporation engaged in the business of banking as Citizens National Bank of Princeton at locations in North Central Illinois with its principal place of business in Princeton, Bureau County, Illinois.

## **III. The Incidents**

### **A. Balensiefen’s Employment Performance**

8. Balensiefen was the most productive Originator in Princeton in 2009. She was a

top producer as shown by her production figures and commissions in the following approximate amounts during her employment.

	<u>Year</u>	<u>Loan Volume</u>	<u>Compensation</u>
A.	2006	\$12 million	\$ 60,000
B.	2007	\$10 million	\$ 52,000
C.	2008	\$18 million	\$ 92,000
D.	2009 (8.5 months)	\$30 million	\$157,000

9. The year 2009 was a continuation of the worst financial crisis and economic downturn since the Great Depression which began in September, 2008. The immediate cause of that financial and economic collapse was subprime mortgage loans in the United States packaged and sold as securities to financial institutions including investment and commercial banks whose functions were combined throughout the world. As a result, the market for real estate mortgages was the worst that had existed since mortgage lending became a prominent part of the American economy in the years after World War II.

10. Balensiefen's \$30 million on mortgage loans generated in 8.5 months of 2009 was a significant accomplishment due to market conditions, the limited amount of mortgage money available, and the destruction of individual credit ratings occurring as a result of the major banks in the United States who operate the credit card companies cutting down credit to reduce contingent liabilities.

**B. Sex Discrimination in Mortgage Banking Department**

11. Balensiefen was in the Princeton office reporting to Joel Hambleton in the Spring

Valley, who was in charge of the Mortgage Banking Department in the 22 branches of the Bank at various locations in North Central Illinois. Balensiefen was required to attend meetings of the Mortgage Banking Department on a monthly and semi-monthly basis and would be in Spring Valley for files or loans in that area approximately once a week. Among the sexually related comments which regularly occurred were.

- A. Talk about sex occurred regularly. Ginger Van Bibber, a Loan Officer, would regularly talk about her fake boob job, which were paid for by her previous husband. Bibber, Tara Stefanich,, or Stephanie Baumbach would say how Bibber kept her enhanced breasts in the divorce.
- B. Tara Stefanich was complimented after she returned from a vacation. Stefanich said she had an air brush tan. Stefanich described at the office what happened when a technician came to her house. Stafanich said she stood in her underwear topless on a chair commenting while some people do it nude, she did not want her muff in the technician's face.
- C. Joel Hambleton was present and participated in these conversations. Gary Foltynewisc was present, but refused to participate.
- D. The sexual innuendo was a regular part of the Mortgage Banking meetings. Balensiefen attempted to tune it out as background noise. The incidents described above are exemplary of what occurred at Belensiefen's workplace.

12. Joel Hambleton was involved in the course of conduct as a part of his practice of harassment and hostility to women. He had a problem with women and treated women with disrespect and hostility that Hambleton did not exhibit to male employees.

- A. Megan Jackson was a 21 year old female employed in the Spring Valley Mortgage Banking support staff. Hambleton was always present attempting conversation to initiate some relationship.
  - (1) Jackson was very uncomfortable with Hambleton's presence and comments.
  - (2) Megan Jackson reported it to Human Resources in December,

2008. Nothing was done.

- B. In February or March, 2009, Jennifer Callan commented on how much more taller Joel Hambleton's son Ryan Hambleton was than Joel and said Ryan must get his height from his mother. Joel Hambleton replied, "My height is in my pants where it counts."
- C. Nancy McCook was a Production Specialist who worked under Hambleton. During her employment in the spring of 2008, Hambleton would regularly take McCook into his office and berate McCook including when she was in the third trimester of pregnancy. McCook would come out of the office shaking with a red face.
- D. In 2006 or 2007, Nancy Camenish complained about how obnoxious Joel Hambleton was to women to Jill Smith, Human Resources Manager of Citizens Bank. When Camenish returned to work under Hambleton after her complaint Hambleton grabbed Camenish's arm, yelling, and told her that she had better quit because he would make something up to fire her, which he could do because management would believe him over her.
- E. Sherry Bowne worked for Citizens Bank as Operations Manager reporting to Joel Hambleton. Hambleton harassed her to the point she was regularly crying. Bowne left her employment in 2007. James Miller stopped by to wish her well on her departure. Hambleton stated, Sherry and Jim were so friendly, he thought they were going to drop down on the table and go at it
- F. Six months after Balensiefen was employed in 2005, she went to Jim Miller to complain about Joel Hambleton's abusive manner of yelling at her on the telephone and then hang up. After Miller informed Hambleton to cease such conduct, Hambleton directed Balensiefen to meet him outside the Bank at a restaurant. Hambleton lunged across the table at Belansiefen and told her if she did not like it and leave. When Balensiefen stated the request, Hambleton backed off and the matter ended.

13. Joel Hambleton would regularly report he was out of the office on "officer calls" to bank customers. Hambleton never made his list of required until a flurry of calls in December of each year. Tara Stefanich would be out of her office in Peru at home or working on calls at the same time Hambleton was out.



- A. Stefanic's performance was so poor that realtors attempted to avoid sending her purchasers seeking loans and customers would refuse to work with her.
- B. Hambleton would tell Balensiefen to take over loans for dissatisfied customers from Stefanic, but not tell anybody.

14. The Loan Processing Office at Spring Valley where Hambleton was located was divided into two sections. Hambleton kept the young attractive women employees up front and the other women in the back. Ginger Van Bibber was one of the favored Loan Originators. She had breast enhancement surgery, had taken photographs of her enhanced breasts, and showed the photographs to everyone at the Bank. Ginger was one of Hambleton's favorites.

15. Citizens Bank had guidelines with variables for the Loan Originators to follow. Hambleton did not apply the Loan Guidelines equally. The ladies who told Hambleton he looked good or rubbed his leg had their loans approved. The Loan Originators had loan approval authority up to \$250,000. Loans for more than that amount required Hambleton's approval. Balensiefen and Paige Hughes did not play up to Hambleton in the manner of the Loan Originators whose loans were required to be approved. All of their loans of Balensiefen and Hughes required approval by Hambleton.

16. Ashley Jones was a young loan processor working at Spring Valley. She requested a transfer from Spring Valley to Princeton because Hambleton was always looking down her shirt and putting his hands on her shoulders.

**C. The Sex Discrimination Occurring in the Mortgage Lending Department Under Joel Hambleton Was a Part of an Ongoing Pattern and Practice of Sex Discrimination Against Females and Toleration of Sexual Harassment of Females by Males by Citizen's Bank Management**

17. The sex discrimination set forth in Part III B was but another part of the pattern and Practice of sex discrimination against females and toleration of sexual harassment by male employees of female employees and unjustified favorable treatment to males over females existing at Citizens with the approval of its officers and directors.

18. At Citizens males engage in misconduct with little or no consequences while the females who are subjected to the misconduct are terminated or leave employment because of the misconduct and the Bank's failure to remedy it. The incidents set forth below in ¶¶ 19-32 are a part of the Citizens Bank's pattern and practice of sexual discrimination.

19. In 2004-2005, Denise Flowers, a personal banker, in Peru, Illinois branch was sexually harassed by Jim Miller, Senior Executive Commercial Department.

- A. Miller sent sexual images to Flowers by e-mail, telephoning her at work and at home with sexual proposals. Flowers left her employment at the Citizens Bank.
- B. Citizens Bank suspended Miller for one month without pay and then returned to work without change in his status apart from Miller's removal from his position as a director of Citizens Bank.
- C. Flowers left employment with the Citizens Bank because of the sexual harassment by James Miller and the Bank's failure to remedy that harassment.
  - (1) Denise Flowers informed Jill Smith, Human Resources Director of Citizens Bank, that she retained the digital images and telephone messages.
  - (2) Flowers refused Smith's request to provide her with all copies of those digital images and telephone messages after Miller was given the one month suspension and return to work.
  - (3) Flowers left the Citizens Bank employment because Miller was allowed to return to work and she was not given an alternative position to avoid contact with Miller.

18. Stacy Murfin was an employee of Citizen's Bank who worked under Jim Miller. Jim Miller came up behind Stacy in a local bar and put his hand down the back of her pants. Miller said, " just what I thought, you're a thong girl. " Miller made other sexual remarks to Murfin during employment hours.

- A. Stacy Murfin reported Miller's conduct to Trisha Bogatitus, along with other dirty sexual had made to her.
- B. Bogatitus reported Murfin's description of James Miller's sexual harassment to her superior , Todd Fanning, CFO and Executive Officer.
- C. Todd Fanning never did anything about Miller's sexual harassment of Stacy Murfin.
- D. Stacy Murfin left her employment at the Bank because of Jim Miller's sexual harassment of her and the failure of the Citizens Bank to remedy it.
- E. James Miller remains employed in good standing at the Citizens Bank with the only action taken against him the one month suspension with pay and removal from his position as a director.

19. Karen Hansen, a female, worked in the Trust Department under the male, Patrick Murray. Hansen left in 2008 because of problems with Patrick Murray. Tammy Humpage was another Trust Department employee. She also left in 2008 because of problems dealing with Patrick Murray. Patrick Murray remains employed in good standing at the Citizens Bank.

20. John Munoz was Assistant Vice President in Training. In 2008, the Bank received complaints about Munoz's inappropriate touching of females. Munoz was written up for inappropriate conduct, but no further action was taken against him.

21. Patricia Bogatitus was Vice President of Accounting Department. There was a problem with a wire transfer. President Tony Sorcic was so abusive to Bogatitus that she left the Citizen Bank's employment for a Peru Bank immediately after the incident.

22. Tony Sorcic, President of the Citizens Bank attempted to kiss one of the Citizens Bank Sales Managers, Lori Piper.

- A. Piper reported this sexual harassment to the board of directors.
- B. Sorcic falsely denied the incident to the board saying he was attempting to get the hair out of Piper's eyes when she was vomiting.
- C. Lori Piper's employment with Citizen's Bank was terminated after her report to the board.

23. Gina Zweeres was an Assistant Vice President who was Sales Manager of the Minooka, Illinois branch of Citizens.

- A. Zweeres had a sexual affair with Steve Sherer, a male who was Vice President Commercial Banking, also located in Minooka, Illinois.
- B. When Zweeres ended the sexual affair, Sherer became verbally abusive at work, stopped all communication with her at work, and dismissed her employment performance and competence to customers.
- C. Sherer regularly left the office early without discipline. Zweres received written discipline from Jacque Karloski of Human Resources for one departure from the office at 4:00 p.m. for a valid reason.
- D. Zweres' employment at Citizens was terminated in December, 2008 for the first customer she had received in 14 years.

24. Approximately, six to eight years ago, Bank President Tony Sorcic had a sexual relationship with Kathy Enbohm Vice President of Marketing. Sorcic ended the relationship and Enbohm's employment was terminated.

25. Johanna Mattingly was employed at the Citizens Bank for four years, first as an Assistant Sales Manager, and then as Vice President – Sales Manager who received excellent employment evaluations and significant raises each year of her employment at Citizens Bank from 2004 until the July 2, 2008 termination of her employment. Mattingly was summoned to

the Committee of the Board with its attorney making inquiry about Sorcic and Betasso in the latter part of April, 2008.

- A. Mattingly was asked many questions about her employment functions. She was also asked: (1) whether anyone made her feel uncomfortable? (2) had she ever heard a rumor outside the Bank about a relationship between President Tony Sorcic and Vice President Kim Betasso? and (3) had she ever seen anything President Tony Sorcic and Vice President Kim Betasso?
- B. Mattingly responded truthfully with a “No” answer to each question. She was instructed not to retaliate in any way against anyone who brought these subjects to the Board’s attention. Mattingly did know of anything anyone had told the board and did not know the purpose for which she had been questioned. She was not told during the meeting and the questions did not reveal what sort of investigation was being performed.
- C. Mattingly supervised a number of employees. After the April, 2008 Audit Committee meeting, it came to her attention that Cindy Schoof had taken lunches with her mother and then reported the lunch as a sales call,
- D. Schoof’s lengthy absences from work were the subject of comment of other employees, and Schoof was not performing her sales activities to extent of other employees. Mattingly also learned Schoof was recording renewals of loans for additional compensation under the Team Plan contrary to its rules. The Tracking Plan bonus compensation was limited to new loans, not renewals.
- E. Mattingly was summoned to a June 9, 2008 Audit Committee Meeting. She was told she had retaliated against her employees and was at risk of employment termination. Mattingly told the truth as set forth in ¶ 15 B to the Audit Committee. Mattingly did not know of any report Schoff had made to the Board. Mattingly was instructed to change her management style. She asked what should be changed and was told, “That was her job.”
- F. Mattingly sent a memorandum to Jaqualan Karloski, Senior Vice President, who was her direct employment supervisor. The memo asked what Mattingly was to do about Cindy Schoff’s false entries of renewal loans in the Team Plan compensation program. Karloski responded, “There are issues that she (Karloski) is not aware of”. Koarloski added she could not answer because she was not privileged to all the information

- G. Mattingly asked Jill Smith, Human Resources, what to do about Cindy Schoof. Smith her to document everything in the Department and be low key.
- H. On July 2, 2008, Mattingly received an undated Memo from Jacquelyn Karloski Vice President of Consumer Banking terminating her employment. The memo falsely stated Mattingly did not implement a program to accurately track Kim Frey's actual working time instead of blindly accepting Kim Frye's word or Mattingly's assumption Frey was working on a specific schedule. Karloski falsely stated Frye was paid incorrectly on multiple occasions. The memo concluded the situation was severe and required termination.
  - (1) Mattingly had discussed the computer problem of accurate entry of employee time in the software with Joyce Roggerly, Senior Vice President of Deposit Operation. Karloski was also present. The computer and terminals in Roggerly's Department were left running 24 hours a day. In contrast, the computer terminals in Mattingly's Department were shut down nightly and required rebooting. The 10-15 minute delay in the time to boot Mattingly's Department computer prevented the employee from entering their time on arrival for their hourly compensation. Roggerly stated she was a aware of the problem in need for correction.
  - (2) Mattingly and Citizens Bank were under an obligation to correctly record the actual time work for employees paid on an hourly basis. This obligation is imposed by the Fair Labor Standards Act. 29 U.S.C. § 211©. The persons Mattingly supervised in her employment were paid on an hourly basis.

26. Kimra Betasso was employed by Citizens as a Vice President Corporate Sales Manager in August, 2004 having been recruited by Citizens Bank from her position as a Vice President, Treasury Management at AMCORE Bank in Princeton, Illinois.

27. Betasso received excellent employment evaluations during her employment, increased the profitable credit insurance business from \$100,000 a year to \$700,000 a year, initiated a bonus program for employees who obtained new deposits called the Team Incentive Plan which steadily increased deposits, succeeded her deposit goals for each year receiving a

significant bonus for those efforts.

28. In March or April, 2008, Betasso brought a \$12 million certificate of deposit to the Citizens Bank, which was a nearly 50% increase in the deposit goal of the \$1 billion in asset Citizens Bank for the year.

29. At all times material to her employment, Betasso was performing her employment duties in a satisfactory manner as the top producer of deposits and bringing about a seven fold increase in the dollar amount of credit insurance

30. Betasso had an affair including sexual relations with Tony Sorcic, President and Chief Executive Officer of Citizens Bank from May 10, 2006 through her employment termination on July 28, 2008.

- A. Sorcic and Betasso went to a Peoria, Illinois attorney, Michael Hasselberg, for advice on obtaining divorces from their respective spouses.
- B. Betasso retained Lisa Olivero of Peru, Illinois as her attorney and initiated divorce proceedings against her spouse. Sorcic represented to Betasso and she believed that he would begin divorce proceedings against his spouse after Betasso's divorce was concluded.
- C. The board of directors and managerial agents of Citizens Bank knew of the sexual affair between Sorcic and Betasso acquiring that knowledge sometime in the early months of 200.
- D. Sorcic sent numerous text messages to Bettaso stating his feelings for her and the response she was to take to the inquiry of the board of directors. Bettaso has the digital copies of those text messages.
- E. A committee of the board of directors and their retained attorney met with Betasso on two separate occasions in the spring of 2008. Sorcic pressured Betasso to deny the affair to the committee and their attorney, which she did when asked. She truthfully answered that she was not being sexually harassed or subjected to unwelcome sexual advances from Sorcic.
- F. In June, 2008 after the two separate meetings of the committee of the

board and their attorney, Betasso submitted a proposal providing that she did not report directly to President Sorcic. The proposal was rejected and Betasso's obligation to report to President Sorcic was never altered..

G. The committee of the board and their attorney questioned a \$10,000 loan taken jointly by Kim Betasso and her daughter stating the daughter did not qualify for the interest rate provided on the loan.

- (1) Tony Sorcic had approved the application of the loan.
- (2) Betasso, who was jointly liable with her daughter on the loan, earned income of \$ 110,701 in 2005, \$126, 445 in 2006, and \$136, 535 in 2007 and had no debt. The interest given a joint loan was justified by Betasso's financial condition and was given to Citizens Bank to similar customers in excellent financial condition.
- (3) Despite the propriety of the terms of the loan, Betasso requested the Committee of the Board to identify the appropriate interest rate so she could pay the difference in that rate and the rate of the loan and pay that interest rate for the remainder of the loan or to pay the loan in full if the committee deemed that appropriate.
- (4) The Committee took no action on Betasso's foregoing request.

31. When the Board of Citizens began inquiry into the relationship between Sorcic and Betasso, Sorcic told Betasso of the inquiry, stated it was focusing on him, and since it was between him and her, Betasso was the one whose employment would be affected.

32. Betasso's employment was terminated on July 28, 2008. The reasons for the termination stated in the July 28, 2008 Memorandum informing her of it were each false and known to be false by the managerial agents of the Citizens Bank.

- A. Significant problems with Betasso's oversight of sales reporting and tracking and the failure to circulate a clear written guidance and training on sales.
- (1) The sales program Betasso was supervising was the Team Incentive Plan providing incentives in the form of a bonus for each new deposit obtained by the employee.



- (2) The Team Plan itself stated its terms and the individual supervisors of the employees were responsible to determining compliance.
- (3) The only incident involving the Team Plan ever brought to Betasso's attention was Cindy Schoof's recording of renewal loans for Team Plan which under its terms were not subject to the Plan and the refusal of the Audit Committee and Mattingly's employment supervisor, Jacque Karloski, to remove the renewal loans School submitted to the Plan and discipline her for misuse of the Plan.

B. Employees – who the memo did not identify – complained of Betasso's unprofessional and disruptive conduct. There was no such conduct that affected Betasso's conduct of the sales portions of her job.

- (1) The only disruption was Betasso's protest of the Citizens Bank's wrongful termination of Johanna Mattingly and the hostility to Betasso from other employees because of their unsubstantiated belief Betasso was having an affair with Sorcic. Betasso and Sorcic kept the affair private and away from work.
- (2) The managerial agents knew of the employee criticism of Betasso and did nothing to instruct employees to cease. The criticism was directed against the female Betasso and not the male, Sorcic.

**D. Report of Truth In Lending Act and Unequal Application of Lending Standards and Sex Discrimination to Vice President and Human Resources Director, Cover Up, and Retaliation**

33. In the fall of 2008, Balensiefen observed that the financial disclosures of the terms of mortgage loans required to be made within three days of the loan application under the Truth in Lending Act, 12 U.S.C. § 226.19 (a)(1)(I), were not being made on a systemic basis. She also observed a different application of loan standards applied to loans based on the identity of the Loan Originator by Joel Hambleton. This was unfair to the customer and also a violation of federal lending law.

34. Balensiefen was the Mortgage Loan Originator responsible for generating loan

applications and seeing that the loan application was processed and serviced. It was her obligation to comply with the disclosure requirements of the Truth in Lending Act and to ensure those working with her on loans complied with those requirements. She also was an unwitting participant in the different loan standards applied according to the identity of the Mortgage Loan Originator.

35. Balensiefen had no authority over the processing of the loans, which was done by the Loan Processing Department in Spring Valley, Illinois under the supervision of Joel Hambleton.

36. Balenseifen was an Officer of Citizens Bank, was involved in making the loans, and obligated to provide the Truth in Lending Act disclosures in originating the loan, and refused to participate in the systemic practice of not providing the required disclosures within three days of application for the loan and in the differing standards for the providing of credit.

37. The only way for Balensiefen to cease participation in the systemic failure to provide Truth in Lending Act disclosures within three days of the loan application and the differing loan standards for the acceptance of mortgage loans according to the identity of the Mortgage Loan Originator involved to end her participation in this unlawful conduct was to report it to the Vice President of Risk Management for Citizens Bank who had the authority to make changes in loan processing practices to halt the violations of law and to comply with the Citizens Bank's legal obligations.

38. Balensiefen reported Truth in Lending Act violations and differing loan standards set forth in ¶ 33-34 above and the sex discrimination specifically set forth in Part III B above to Mike Smith, Vice President of Risk Management who was responsible for audit control and

reporting to the Audit Committee of the Board. Balensiefen met with Smith five times and discussed the problems in detail and resolution of those problems. After the investigation, Smith told Balensiefen, he thought Joel Hambleton would be demoted.

39. Mike Smith's statement on Hambleton's conduct changed at the last meeting Balensiefen had with him. He told Balensiefen it involved Human Resource matters and should be taken up with Jill Smith, Human Resource Director.

40. Balensiefen went to Jill Smith Human Resources Director as instructed by Vice President Mike Smith in late January or early February, 2009. Jill Smith told Balensiefen they had located problems and were correcting. Jill Smith told Stephanie that she was not to talk to any of the staff about complaints. Balensiefen was to send staff to Human Resources. Jill Smith added that if Stephanie was the subject of retaliation, she should let her know. After this meeting, any further investigation of the federal banking violations and sex discrimination ceased and the matters were covered up.

41. Balensiefen's meeting with Jill Smith in January or February, 2009 was followed by a two hour meeting in early March, 2009 with James Miller and Joel Hambleton. There was no discussion in the meeting. Miller and Hambleton harassed her throughout the meeting. Balensiefen had excellent evaluations in August of every year. Her evaluation in August, 2008 were 9 or 10 in every category. Miller and Smith prepared a written list of deficiencies she was to correct. Shortly after that meeting, Joel Hambleton told her that we (him and Jim Miller) thought after the write up and meeting, you would quit your job.

42. Balensiefen continued her superior performance as a Mortgage Loan Originator specifically set forth in Part III A ¶ 8 above originating \$30 million in loans in one of the worst

real estate markets since World War II. Hambleton gave Balensiefen a poor evaluation in August, 2009.

**E. Termination of Balensiefen's Employment**

43. On September 17, 2009, Stephanie was called into a conference room with Jim Miller and Joel Hambleton. Miller and Balensiefen told her she was fired for the following reasons:

- A. Balensiefen did not return a paralegal's telephone call about loan approval on a loan that had closed in the normal course.
- B. Balensiefen had missed an appointment with a loan applicant without justification or excuse.

44. The stated reasons given by Miller and Hambleton were false, Miller and Hambleton knew the matters did not occur and were false, and were a pretext for retaliation against Balensiefen for her report of federal lending violations and refusal to participate in those violations.

45. Balensiefen was the 10<sup>th</sup> female terminated or who left employment or transferred after males at Citizens engaged in sexual discrimination as a part of the pattern and practice of sex discrimination followed by the officers and directors of Citizens specifically alleged on Part III C above. That pattern and practice is known to the Chief Executive Officer and each of the members of the Board of Directors of Citizens. Instead of investigating the series of incidents of sex discrimination, identifying the wrongs and wrongdoers, and adopted correcting policies to ensure the practice ceases, the Chief Executive Officer and the Board of Directors of Citizens continue to ignore the pattern and practice of sex discrimination and allow it to continue.

**IV.  
Plaintiff's Claims**

**A. Statutes Involved**

**1. Federal Statutes**

46. At all times material, there was in full force and effect in the United States a certain statute known as Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-1 et seq. which provides:

**§ 2000e-2. Unlawful employment practices**

**(a) Employer practices**

It shall be an unlawful employment practice for an employer-

(1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin; or

(2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin. ....

**§ 2000e-3. Other unlawful employment practices**

**(a) Discrimination for making charges, testifying, assisting, or participating in enforcement proceedings**

It shall be an unlawful employment practice for an employer to discriminate against any of his for employment, for an employment agency, or joint labor-management committee controlling apprenticeship or other training or retraining, including on-the-job training programs, to discriminate against any individual, or for a labor organization to discriminate against any member thereof or applicant for membership, because he has opposed any practice made an unlawful employment practice by this subchapter, or because he has made a charge, testified, assisted, or participated in any manner in an

investigation, proceeding, or hearing under this subchapter.

**§ 2000e-5. Enforcement provisions**

**(b) Charges by persons aggrieved or member of Commission of unlawful employment practices by employers, etc....**

(1) A charge under this section shall be filed within one hundred and eighty days after the alleged unlawful employment practice occurred ... except that in a case of an unlawful employment practice with respect to which the person aggrieved has initially instituted proceedings with a State or local agency with authority to grant or seek relief from such practice or to institute criminal proceedings with respect thereto upon receiving notice thereof, such charge shall be filed by or on behalf of the person aggrieved within three hundred days after the alleged unlawful employment practice occurred, ...

**(f) Civil action by Commission, Attorney General, or person aggrieved; preconditions; ...**

(1) ... the Commission ... shall so notify the person aggrieved and within ninety days after the giving of such notice a civil action may be brought against the respondent named in the charge (A) by the person claiming to be aggrieved or (B) if such charge was filed by a member of the Commission, by any person whom the charge alleges was aggrieved by the alleged unlawful employment practice

**2. State Statutes**

47. At all times material, there was in full force and effect in the State of Illinois a certain statute known as the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq (2008), which provides:

**§ 1-102. Declaration of Policy.**

It is the public policy of this State:

(A) Freedom from Unlawful Discrimination. To secure for all individuals within Illinois the freedom from discrimination against any individual because of his or her race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, or unfavorable discharge from military service in connection with employment, real estate transactions, access to financial credit, and the availability of public accommodations.

(B) Freedom from Sexual Harassment-Employment and Higher Education. To prevent sexual harassment in employment and sexual harassment in higher education.

**§ 2-102. Civil Rights Violations--Employment**

It is a civil rights violation:

(A) Employers. For any employer to refuse to hire, to segregate, or to act with respect to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure or terms, privileges or conditions of employment on the basis of unlawful discrimination or citizenship status.....

**§ 6-101. Additional Civil Rights Violations**

It is a civil rights violation for a person, or for two or more persons to conspire, to:

(A) Retaliation. Retaliate against a person because he or she has opposed that which he or she reasonably and in good faith believes to be unlawful discrimination, sexual harassment in employment or sexual harassment in higher education, discrimination based on citizenship status in employment, or because he or she has made a charge, filed a complaint, testified, assisted, or participated in an investigation, proceeding, or hearing under this Act;

**7A-102. Procedures.**

**(A) Charge.**

(1) Within 180 days after the date that a civil rights violation allegedly has been committed, a charge in writing under oath or affirmation may be filed with the Department by an aggrieved party or issued by the Department itself under the signature of the Director.

(2) The charge shall be in such detail as to substantially apprise any party properly concerned as to the time, place, and facts surrounding the alleged civil rights violation. ....

**(D) Report**

(1) Each charge shall be the subject of a report to the Director. The report shall be a confidential document subject to review by the Director, authorized Department employees, the parties, and, where indicated by this Act, members of the Commission or their designated hearing officers.

(2) Upon review of the report, the Director shall determine whether there is substantial

evidence that the alleged civil rights violation has been committed. ....

(3) If the Director determines that there is no substantial evidence, the charge shall be dismissed by order of the Director and the Director shall give the complainant notice of his or her right to seek review of the dismissal order before the Commission or commence a civil action in the appropriate circuit court. If the complainant chooses to have the Human Rights Commission review the dismissal order, he or she shall file a request for review with the Commission within 90 days after receipt of the Director's notice. If the complainant chooses to file a request for review with the Commission, he or she may not later commence a civil action in a circuit court. If the complainant chooses to commence a civil action in a circuit court, he or she must do so within 90 days after receipt of the Director's notice.

(4) If the Director determines that there is substantial evidence, he or she shall notify the complainant and respondent of that determination. The Director shall also notify the parties that the complainant has the right to either commence a civil action in the appropriate circuit court or request that the Department of Human Rights file a complaint with the Human Rights Commission on his or her behalf. Any such complaint shall be filed within 90 days after receipt of the Director's notice. If the complainant chooses to have the Department file a complaint with the Human Rights Commission on his or her behalf, the complainant must, within 30 days after receipt of the Director's notice, request in writing that the Department file the complaint. If the complainant timely requests that the Department file the complaint, the Department shall file the complaint on his or her behalf. If the complainant fails to timely request that the Department file the complaint, the complainant may file his or her complaint with the Commission or commence a civil action in the appropriate circuit court. If the complainant files a complaint with the Human Rights Commission, the complainant shall give notice to the Department of the filing of the complaint with the Human Rights Commission. ....

**(G) Time Limit**

(1) When a charge of a civil rights violation has been properly filed, the Department, within 365 days thereof or within any extension of that period agreed to in writing by all parties, shall issue its report as required by subparagraph (D). Any such report shall be duly served upon both the complainant and the respondent.

(2) If the Department has not issued its report within 365 days after the charge is filed, or any such longer period agreed to in writing by all the parties, the complainant shall have 90 days to either file his or her own complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court. ...

(4) The Department shall stay any administrative proceedings under this Section after the filing of a civil action by or on behalf of the aggrieved party under any federal or State



law seeking relief with respect to the alleged civil rights violation

**§ 10-102. Court Actions**

**(A) Circuit Court Actions**

(1) An aggrieved party may commence a civil action in an appropriate Circuit Court not later than 2 years after the occurrence or the termination of an alleged civil rights violation or the breach of a conciliation or settlement agreement entered into under this Act, whichever occurs last, to obtain appropriate relief with respect to the alleged civil rights violation or breach.....

48. At all times material here, there was in full force and effect in the State of Illinois Illinois Whistleblower's Act, 740 ILCS 174/1 et seq (2004), which provided.

**174/5 Definitions.**

§ 5. Definitions.

As used in this Act:

“Employer” means: an individual, sole proprietorship, partnership, firm, corporation, association, and any other entity that has one or more employees in this State, including a political subdivision of the State; a unit of local government; a school district, combination of school districts, or governing body of a joint agreement of any type formed by two or more school districts; a community college district, State college or university, or any State agency whose major function is providing educational services; any authority including a department, division, bureau, board, commission, or other agency of these entities; and any person acting within the scope of his or her authority express or implied on behalf of those entities in dealing with its employees.

“Employee” means any individual who is employed on a full-time, part-time, or contractual basis by an employer.

**174/10 Certain policies prohibited.**

§ 10. Certain policies prohibited.

An employer may not make, adopt, or enforce any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency if the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation.

**174/15 Retaliation for certain disclosures prohibited.**

§ 15. Retaliation for certain disclosures prohibited.

(a) An employer may not retaliate against an employee who discloses information in a court, an administrative hearing, or before a legislative commission or committee, or in any other proceeding, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation.

(b) An employer may not retaliate against an employee for disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation.

**174/20. Retaliation for certain refusals prohibited**

§ 20. Retaliation for certain refusals prohibited.

An employer may not retaliate against an employee for refusing to participate in an activity that would result in a violation of a State or federal law, rule, or regulation.

**174/30. Damages**

§ 30. Damages. If an employer takes any action against an employee in violation of Section 15 or 20, the employee may bring a civil action against the employer for all relief necessary to make the employee whole, including but not limited to the following, as appropriate:

- (1) reinstatement with the same seniority status that the employee would have had, but for the violation;
- (2) back pay, with interest; and
- (3) compensation for any damages sustained as a result of the violation, including litigation costs, expert witness fees, and reasonable attorney's fees.

**B. Claims**

48. The termination of Balensiefen's employment specifically alleged on Part III E by James Miller and Joel Hambleton was a part of the pattern and practice of sex discrimination existing at Citizens Bank specifically alleged in Part III B & C in which Balensiefen was the 10<sup>th</sup>

female whose employment was terminated or who left Citizens employment or transferred constituting:

- A. Sex discrimination because Balensiefen was a female specifically alleged in Parts III B & C contrary to Title VII of the Civil Rights Act of 1964 and the Illinois Human Rights Act. 42 U.S.C. § 2000e-2 (a)(1); 775 ILCS 5/1-102 (A) and 5/1-201 (A) (2008)
- B. Retaliation for Balensiefen's report of sex discrimination specifically alleged in Part III D above in contrary to Title VII of the Civil Rights Act of 1964 and the Illinois Human Rights Act. 42 U.S.C. § 2000e-3 (a).
- C. Retaliation for Balensiefen's refusal to participate in Truth In Lending Act violations in mortgage loans she originated and the disparate lending standards for mortgage loans based in the identity of the Mortgage Loan Originator as specifically alleged in Part III D above contrary to Section 20 of the Illinois Whistleblowing Act. 740 ILCS 174/20 (2008).

**V.  
Relief Requested**

49. As a direct and proximate result sex discrimination, retaliation for report of sex discrimination and retaliation for Balensiefen's protected activity of refusing to participate in Truth in Lending Act violations and the varying loan standards contrary to Title VII of the Civil Rights Act of 1964, the Illinois Human Rights Act, and the Illinois Whistleblower's Act, Balesnsiefen's employment with Citizens Bank was terminated on September 17, 2010; by reason of that termination Balensiefen has lost income in the amount of \$64,647.06; thereafter, the 18 month covenant not to compete provisions of her contract of employment with Citizens prevented her from obtaining other employment in the Princeton/LaSalle-Peru area where she was highly regarded by the customers and realtors; her future loss of income for the next five years is in the gross amount of \$1,108.235 a total including 2009 of \$1,172.882 less the amount of income she will earn from other employment re-starting her place as a Mortgage Loan

Originator in the total amount of loss of income for the remainder of 2009 and the next five years from 2010 of \$201,000 for a total loss of income in the amount of \$971,882. Balensiefen is entitled to interest on the amount of income lost as a part of her damage award. A copy of an Excel spreadsheet setting forth the computation of the damages stated her is attached as Ex:1; further Balensiefen has undergone significant mental distress from the financial pressures resulting from her termination, been forced to move to the Orlando, Florida area to find employment at a significantly less amount of income than she had been earning.

50. The conduct of Citizens engaged in by its officers, directors, and managing agents is such that an award of punitive damages is appropriate to punish the defendant and deter others from such misconduct in the future.

51. Balensiefen is entitled to an award of attorney's fees and reasonable expenses incurred in prosecution of this action as a part of costs under Title VII, the Illinois Human Rights Act, and the Illinois Whistleblower's Act. 42 U.S.C. § 2000e-5 (k); 775 ILCS 5/8A-104 (G) (2008); 740 ILCS 174/30 (2008).

## **VI. Satisfaction of Preconditions of Bringing Action**

52. Balensiefen has satisfied the preconditions of bringing this action required by Title VII of the Civil Rights Act of 1964 and the Illinois Human Rights Act. 42 U.S.C. § 2000e-5 (f); 775 ILCS 5/7A-102 (2008).

53. A Charge of Discrimination was filed with the Illinois Department of Human Rights on March 15, 2010. Charge No. 2010CF2880. The Charge was simultaneously filed with the Equal Employment Opportunity Commission. EEOC Charge No. 21BA01483.

54. The Illinois Department of Human Rights received Balensiefen's Voluntary Withdrawal of Charge and Request for Right to Sue on October 4, 2010. The Department entered an Order of Closure and the EEOC issued a Notice of Right to Sue on November 4, 2010. This action is filed within 90 days of the receipt of that Notice of Right to Sue.

**VII.  
Prayer for Relief**

**WHEREFORE**, Plaintiff, STEPHANIE BALENSIEFEN, prays for judgment in her favor and against the Defendant, PRINCETON NATIONAL BANCORP, INC. d/b/a Citizens First National Bank of Princeton, in the amount of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) compensatory damages and THREE HUNDRED THOUSAND DOLLARS (\$300,000) punitive damages plus costs of suit including reasonable attorney's fees and expenses incurred in the prosecution of this action under 42 U.S.C. § 2000e-5 (k); 775 ILCS 5/8A-104 (G) (2008); 740 ILCS 174/30 (2008).

**PLAINTIFF DEMANDS A TRIAL BY JURY**

Respectfully submitted,

s/ Richard L. Steagall  
RICHARD L. STEAGALL,  
Attorney for the Plaintiff

**CERTIFICATE OF SERVICE**

I hereby certify that on **December 23, 2010**, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

Ms. Kerryann M Haase  
Mr. Brian P. Paul  
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180 N Stetson Avenue  
Chicago, IL 60601  
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s/ Richard L. Steagall  
\_\_\_\_\_  
RICHARD L. STEAGALL

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