

# Cole Taylor Bank owner sued over sale



A Cole Taylor Bank branch in Lombard. (November 15, 2012)

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A class action shareholder lawsuit filed Friday in Cook County circuit court claims that Rosemont-based Taylor Capital Group Inc. and its board of directors breached their fiduciary duty when they struck a deal to sell the parent of Cole Taylor Bank “without an adequate sales process.”

Taylor Capital announced that Chicago-based MB Financial Inc. was buying the company for \$680 million earlier this month.

The complaint against Taylor Capital and directors including Chairman Bruce Taylor and Chief Executive Mark Hoppe alleges the deal undervalues the company given Taylor Capital's "recent strong performance as well as its future growth prospects." The lawsuit cites the company's performance in 2012 and in the first quarter of 2013, including management's own comments about business conditions.

The proposed deal is for \$22 a share; the lawsuit points out that the Taylor Capital's shares have been trading above that. Late in trading on Tuesday, the shares were at \$22.56 a share.

It says that the deal struck also includes a provision that no other potential buyers be solicited and that a break-up fee of \$20 million be paid if the deal is scuttled.

A Taylor Capital spokesman said the company doesn't comment on pending litigation.

The lawsuit seeks, among other things, class-action certification and asks the court to halt the deal. The lead plaintiff is James Sullivan, who owns an unspecified number of Taylor Capital common shares.

About a dozen other Taylor Capital insiders, including key shareholder Harrison Steans, are also named as defendants. So is MB Financial, which the plaintiffs said is "aiding and abetting" Taylor Capital's breach of fiduciary duty.

Among the law firms filing the suit was DiTommaso Lubin PC of Oakbrook Terrace.

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