

DEPARTMENT OF FINANCIAL INSTITUTIONS
MEETING MINUTES
JULY 14, 2011

The Members of the Department of Financial Institutions met at 10:00 a.m., EST, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Present from the Department were David H. Mills, Director; John J. Schroeder, General Counsel, Deputy Director, Non-Depository Division and Secretary; James M. Cooper, Deputy Director, Depository Division and Assistant Secretary; Gina R. Williams, Deputy Director, Administration Division; Troy Pogue, Supervisor, Administration Division; Mark Tarpey, Supervisor, Consumer Credit Division; Mark K. Powell, Supervisor, Credit Union Division; Connie Gustafson, Associate Legal Counsel; Kirk Schreiber, Senior Bank Analyst; and Sharmaine Stewart, Administrative Assistant.

I. PUBLIC SESSION: 10:00a.m.

- A. Members Present: Richard J. Rice, Chairman, Mark Schroeder, Vice Chairman; Michael W. Davis, Donald E. Goetz, Paul R. Sweeney, Jean L. Wojtowicz and David H. Mills, Director.
- B. Date of the next meeting: August 11, 2011 at 10:00 a.m., at the office of The Department of Financial Institutions, 30 South Meridian Street, Suite 300, Indianapolis, Indiana.
- C. Approval of the minutes held June 9, 2011. Chairman Rice entertained a motion to approve the minutes for the June 9, 2011 meeting. Mr. Schroeder moved approval of the minutes; Mr. Davis seconded the motion, and the motion passes unanimously.
- D. **Re-Organization of the Members as stipulated in IC 28-11-1-8.**
 - 1. **Election of Vice Chairman:** Director Mills moved for the nomination of Mark A. Schroeder as Vice Chairman and Mr. Sweeney seconded the motion. There was no further discussion and the motion passed unanimously.
 - 2. **Election of Secretary:** Mr. Davis moved for the nomination John J. Schroeder as Secretary and Ms. Wojtowicz seconded the motion. There was no further discussion and the motion passed unanimously.
 - 3. **Election of Assistant Secretary:** Mr. Schroeder moved for the nomination James M. Cooper as Assistant Secretary and Mr. Sweeney seconded the motion. There was no further discussion and the motion passed unanimously.
 - 4. **Other organizational matters:** There were no other organizational matters to be addressed.

E. CONSUMER CREDIT DIVISION:

1. Michael Massey Mortgage Loan Originator License – Objection to ALJ's Non-Final Order

Noting Mr. Massey's absence, John Schroeder suggested that the Members consider recessing the meeting while the agency's Deputy Attorney General attempted to reach

Mr. Massey's attorney. Upon motion by Director Mills, seconded by Mark Schroeder, the Members voted to recess the meeting consistent with John Schroeder's suggestion. Once it was determined that Mr. Massey's attorney was out of town and not planning to attend, the Members reconvened the meeting.

John Schroeder provided the Members with the following chronology of events that have led to the Members consideration of Mr. Massey's Objection to the Administrative Law Judge's ("ALJ") Non-Final Order

- Passage of the federal SAFE Act – July 20, 2008
- Development by CSBS and AARMR of the Model State Law - 2008
- Passage of enabling language in IC 24-4.4, followed by promulgation of the Indiana SAFE Rule – 2009 IGA session, and July 23, 2009
- Discussions among state regulators regarding which crimes fit into the lifetime-ban category - ongoing
- The federal agencies that make up the FFIEC adopt the FDIC Policy Statement for § 19 of the FDI Act, which defines a crime of dishonesty to include wrongfully taking “property belonging to another in violation of any criminal statute.” – July 28, 2010
- Solicitation of AG's Advisory Opinion on the issue of whether or not robbery/theft are crimes of dishonesty – August 31, 2010
- On September 9, 2010, the DFI Members denied Mr. Massey's application based on his criminal convictions
- Mr. Massey filed a Petition for Review on September 25, 2010, and an ALJ was appointed on October 5, 2010
- Mr. Massey asked the ALJ to postpone the hearing until after the first of the year (2011)
- February 21, 2011 – AG issued Advisory Opinion finding that robbery/theft are crimes of dishonesty for purposes of the Indiana SAFE Rule
- On April 5, 2011, an administrative hearing was held
- Mr. Massey and the DFI's appointed DAG provided briefs to the ALJ
- On May 24, 2011, the ALJ determined that the DFI had acted properly in denying Mr. Massey's MLO license
- On June 13, 2011, Mr. Massey filed an Objection to the ALJ's Findings of Fact and Conclusions of Law
- On July 7, 2011, the DFI's assigned DAG filed a Response to Mr. Massey's Objection

John Schroeder explained to the Members that their charge at this time was to affirm, modify, or dissolve the ALJ's Non-Final Order. He noted that Mr. Massey would retain judicial review rights in the event the Non-Final Order was affirmed. Mr. Goetz made a motion that the Members affirm the ALJ's Non-Final Order, Mr. Davis seconded the motion, and the motion passed unanimously.

F. DIRECTOR'S COMMENTS AND ACTIONS:

1. The staff requests the Members to adopt an amended Order of Delegation of Duties to the Director. Mr. Schroeder briefly explained the proposed amendments to the Members. They are as follows:
 - The authority to delegate has been amended to provide that in the event the Director is unavailable the Director may delegate his authority to one of the Deputy Directors.
 - Item (e) was added to the General Section (and deleted from the Bank and Trust Division) expanding the Director's authority to approve statutory changes of control beyond his current authority for depository institutions (other than credit unions) to include various licensees under other acts administered by the Department. This change was necessitated by legislative amendments adopted in the last session of the General Assembly. Specifically, change of control provisions were added to the acts relating to first lien mortgage lenders, consumer loan creditors, debt management companies, pawnbrokers, money transmitters and check cashers.
 - All other changes are non-substantive, clean-up corrections.

Mr. Goetz made a motion that the Members, by resolution, adopt the amended Order of Delegation of Duties. Ms. Wojtowicz seconded the motion, and it was approved unanimously.

2. **Indiana Bank and Trust Company, Columbus, Bartholomew County, Indiana**
On May 18, 2011, the Department received notice pursuant to IC 28-13-16 of Indiana Bank and Trust Company's intent to form a wholly owned subsidiary, "Plaza Properties LLC". **This item was for informational purposes only.**

G. ACTIONS BY DELEGATED AUTHORITY:

1. **Star Financial Bank, Fort Wayne, Allen County, Indiana**
The bank has requested permission to hold four parcels of property in excess of three years for future expansion as prescribed in IC 28-1-11-5. The first parcel was purchased on November 30, 2004 and is located at 135 East North Point Boulevard, Huntington, Indiana. The bank purchased this property with the intention of establishing a joint office for the bank and STAR Insurance. The second parcel was purchased on May 15, 2007 and is located at 5863 West Broadway, McCordsville, Indiana. This property is a future branch site, but construction remains on hold. The third parcel was purchased July 3, 2007, and is located at 3220 Connor Street, Noblesville, Indiana. This site is intended for a future banking office, but the recession has delayed development. The fourth parcel was purchased April 7, 2008, and is located at 7500 South town crossing, Fort Wayne, Indiana. This site is intended for a future banking office but business conditions delay development. At the bank's board meeting on April 20, 2011, the board reviewed and approved a report of each property. Allowing the bank to continue to hold these properties does not appear to endanger the safety and soundness of the financial institution. **The Director approved the bank's request for an extension until June 30, 2012. Should the bank not be able to utilize the real estate within this time frame, another request to the Director pursuant to IC 28-1-11-5 will be required.**

2. Forum Credit Union, Indianapolis, Marion County, Indiana

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. IC 28-7-1-10 allows a credit union to add one or more qualified groups to its field of membership. This amendment would place the following organizations into the field of membership of the credit union:

Carmel Piano Mover & Piano Solutions – Carmel – 10 members (common bond of occupation as defined by IC 28-7-1-10)

Arlington Roe & Company, Inc. – Indianapolis – 120 members (common bond of occupation as defined by IC 28-7-1-10)

Coughlin Chiropractic – Indianapolis – 2 members (common bond of occupation as defined by IC 28-7-1-10)

ABC Roofing – Avon – 15 members (common bond of occupation as defined by IC 28-7-1-10)

This was approved by the Director on June 23, 2011, under delegated authority.

3. California Credit Union, Glendale, Los Angeles County, California

An application for issuance of a certificate of admission was received from California Credit Union, Glendale, Los Angeles County, California. CCU filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-1-22. National Registered Agents, Inc., 320 North Meridian Street, Indianapolis, Marion County, Indiana has been appointed as a resident agent for service of legal process by CCU. **A Certificate of Admission was approved by the Director on June 07, 2011, under delegated authority.**

4. Pinnacle Credit Union, Fort Wayne, Allen County, Indiana

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment To the Articles of Incorporation. IC 28-7-1-10 allows a credit union to add one or more qualified groups to its field of membership. This amendment would up-date the credit unions definition of “immediate family member” within its field of membership:

Immediate family is defined as spouse, child, sibling, parent, grandparent, or grandchild. This includes stepparents, stepchildren, stepsiblings, and adoptive relationships. Household is defined as persons living in the same residence maintaining a single economic unit.

This was approved by the Director on June 13, 2011, under delegated authority.

5. MarkleBank, Markle, Huntington County, Indiana

The bank has applied to the Department for approval to establish a branch office to be located at 1001 Dehner Drive, Ossian, Wells County, Indiana. The branch is to be known as MarkleBank. **This request was approved by the Director on June 16, 2011, under delegated authority.**

6. Farmers Bank of Milton, Milton, Trimble County, Kentucky

An application for issuance of a certificate of admission was received from Farmers Bank of Milton, Milton, Trimble County, Kentucky (“Farmers Bank”). Farmers Bank filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-2-18 and IC 28-1-22. The bank intends to conduct banking activity through a

branch in Madison, Indiana. David Hertz, 615 Simcoe Lane, Madison, Indiana, Jefferson County, Indiana has been appointed as a resident agent for service of legal process by Farmers Bank. **A Certificate of Admission was approved by the Director on June 16, 2011, under delegated authority.**

7. **Bath State Bank, Bath, Franklin County, Indiana**
The bank applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend \$ 31,490.31 to its holding company, Bath State Bancorp, Bath, Indiana. The dividend will be upstreamed to the parent holding company to fund holding company obligations. **This was approved by the Director on June 16, 2011, under delegated authority.**
8. **Lake City Bank, Warsaw, Kosciusko County, Indiana**
The bank is requesting an extension of time for the opening of its branch to be located at 100 West 96th Street, Indianapolis, Marion County, Indiana. **On June 21, 2011 the Director under delegated authority approved the bank's request for an extension until December 31, 2011.**
9. **Harvest Mortgage, LLC** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in Milford, MI. They service their loans on a limited basis(1-2 payments). Loans will be closed by the title company. They currently operate in Michigan only. **This was approved by the Director on June 14, 2011, under delegated authority.**
10. **CitiFinancial, Inc.** applied via the Nationwide Mortgage Licensing System for a Subordinate Lien Mortgage Lending license. Applicant is based in Baltimore, MD. They will be servicing their loans. Loans will be closed by title companies. They currently operate in 22 states. **This was approved by the Director on June 14, 2011, under delegated authority.**
11. **Americas Mortgage Professionals, LLC** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in Fort Lauderdale, FL. They will not be servicing their loans. Loans will be closed by the title company. They currently operate in 5 states. **This was approved by the Director on June 16, 2011, under delegated authority.**
12. **OneMain Financial, Inc.** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in Baltimore, MD. They will be servicing their loans. Loans will be closed by title companies. They currently operate in 36 states. **This was approved by the Director on June 16, 2011, under delegated authority.**
13. **OneMain Financial, Inc.** applied via the Nationwide Mortgage Licensing System for a Subordinate Lien Mortgage Lending license. Applicant is based in Baltimore, MD. They will be servicing their loans. Loans will be closed by title companies. They currently operate in 36 states. **This was approved by the Director on June 16, 2011, under delegated authority.**

14. **Cash King, Inc.** requested a consumer loan license. Applicant is based in Columbus, Indiana. They will be making small single pay, short-term loans under IC 24-4.5-7 They will be servicing their loans. Loans will be closed by title companies. They currently operate one branch in Columbus, IN. **This was approved by the Director on June 17, 2011, under delegated authority.**
15. **Consumer Credit Counseling of Northeastern Indiana, Inc.** is requesting a debt management license. Applicant is based in Ft. Wayne, Indiana. Business in Indiana will be at Ft Wayne, Auburn, Warsaw and Huntington. **This was approved by the Director on June 17, 2011, under delegated authority.**
16. **Residential Home Funding Corp** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in White Plains, NY. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 30 states. **This was approved by the Director on June 28, 2011, under delegated authority.**
17. **Residential Home Funding Corp** applied via the Nationwide Mortgage Licensing System for a Subordinate Lien Mortgage Lending license. Applicant is based in White Plains, NY. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 30 states. **This was approved by the Director on June 28, 2011, under delegated authority.**
18. **FNF Servicing, Inc.** applied via the Nationwide Mortgage Licensing System for a Subordinate Lien Mortgage Lending license. Applicant is based in Virginia Beach, VA. They will be servicing their loans. They currently operate in 36 states which includes DC and Puerto. **This was approved by the Director on June 29, 2011, under delegated authority.**
19. **Mortgage Loan Originator Applications:**
The following 23 mortgage loan originator applications are recommended for approval. Pursuant to 750 IAC 9-3-2(b), the department staff has determined that the professional training and experience, financial responsibility, character, and fitness of each applicant is such as to warrant belief that the mortgage loan originator will operate honestly and fairly within the purposes of the article. **These applications were approved by the Director on June 3, 2011, under delegated authority.**

NMLS #	Last Name	First Name	Middle Name	Suffix	LicID #
68000	Abbee	Brian	Arthur		16751
389610	Cartagena	Jaime			16747
60945	Chittum	Vince	R		16776
36938	Collins	Michael	John		16709
199035	Cox	David	Morgan		16774
364009	Cryer	Terry	Lee		16760
158904	Dumas	Edward	James		16771
542988	Goddard	Sean	Thomas		16746
583490	Gregg	Ryan	Patrick		16730

62662	Jayaweera	Linda	B		16785
397965	Manns	Ingrid	Katharina	Mrs	16653
399077	Medeiros	Kenneth	Wayne		16748
106790	Moore	Laron	Anthony		16643
430753	Mulligan-Tarr	Joanne	Patricia		16754
399075	Newcomb	Douglas	James		16750
6788	Petersen	Mark	Joseph		16759
299481	Pollina	Matthew	Michael		16642
394293	Price	Dale	Eugene	Jr	16695
517376	Pusinelli	Kirk	Wolfgang		16744
252097	Robbins	Tammy	Marie		16761
5876	Robinson	Desmond	Lavon		16727
26534	Smith	Cory	James		16768
381286	Trott	Anthony	James		16753

20. Mortgage Loan Originator Applications:

The following 22 mortgage loan originator applications are recommended for approval. Pursuant to 750 IAC 9-3-2(b), the department staff has determined that the professional training and experience, financial responsibility, character, and fitness of each applicant is such as to warrant belief that the mortgage loan originator will operate honestly and fairly within the purposes of the article.

These applications were approved by the Director on June 10, 2011, under delegated authority.

NMLS #	Last Name	First Name	Middle Name	Suffix	LicID #
452399	Bojda	Richard	M		16474
147955	Brickley	Brendan	Joseph		16793
142135	Cano	Augusto	Heberto		16792
377849	Chew	Glenn	Richard	Mr	16800
401875	Cota Lopez	Jesus	Humberto		16757
167067	Crouse	Kyle	Sutherland		16488
403015	Dunn	Joseph	Henning		16772
310027	Garrison	Dave	Allen		16804
515863	Henderlong	Todd	Michael		16599
140363	Herbert	Hiram	Jefferson	III	16777
234038	Kirchoff	Robert	Michael		16632
459268	Leavell	Stephanie	Charlene		16790
459267	Mestrich	Timothy	Michael		16797
303837	Morgan	Aaron	James		16378
30990	Niedermaier	Corey	Robert		16762
185482	Pflaumer	Jennifer	M		16788
494784	Ramos	Timothy	Andrew		16786
66005	Torrence	James	Joseph	Mr.	16770
536672	Unruh	Susan	E.		16587

314705	Vadillo Fernandez Pedro	Antonio	16787
372838	Walters Jason	Douglas	16628
162301	Zink Eugene	Willis	16767

21. Mortgage Loan Originator Applications:

The following 20 mortgage loan originator applications are recommended for approval. Pursuant to 750 IAC 9-3-2(b), the department staff has determined that the professional training and experience, financial responsibility, character, and fitness of each applicant is such as to warrant belief that the mortgage loan originator will operate honestly and fairly within the purposes of the article.

These applications were approved by the Director on June 17, 2011, under delegated authority.

NMLS #	Last Name	First Name	Middle Name	Suffix	LicID #
180023	Barmann	Patrick	Jones		16780
123131	Boston	Isaac	Otto	Jr	16680
159888	Canon	David	Paul		16805
128357	Flynn	Kelly	Jo		16729
461517	Garcia	Sherry	Elizabeth		16807
146589	Gibson	David	Lee		16825
419513	Goodrich	Gregg	Franklin		16716
337478	Gosney	Steven	A		16785
628458	Haynes	Cara	Li		16789
254513	Keyworth	Matthew	Kimball		16796
646288	Kippenbrock	Jenna	Marie		16778
130029	Lawson	Lisa	Anne		16820
390019	Mccool	Christopher	John		16812
674967	Ray	Eric	Andrew		16815
136450	Renock	Kimberly	A		16781
347476	Rodriguez	Carlos	J.		16739
486535	Shatara	Jim	T		16818
9455	Thornburg	Damian	Heath		16802
628456	Wharton	Nicholas	Bruce		16791
380299	Zimmerman	Steven	Andrew		16814

22. Mortgage Loan Originator Applications:

The following 22 mortgage loan originator applications are recommended for approval. Pursuant to 750 IAC 9-3-2(b), the department staff has determined that the professional training and experience, financial responsibility, character, and fitness of each applicant is such as to warrant belief that the mortgage loan originator will operate honestly and fairly within the purposes of the article.

These applications were approved by the Director on June 24, 2011, under delegated authority.

NMLS #	Last Name	First Name	Middle Name	Suffix	LicID #
680459	Buehler	Brianne	Gayle		16841

621950	Dann	Jayne	A	16821
293006	Ghasham	Hussein		16811
309502	Goldsmith	Blake		16576
184551	Gorski	Richard	Dean	16798
316034	Hofbauer	Kenneth	James	16845
393032	Holman	Lori	A	16743
255710	Iori	Audra		16840
350794	Johnson	Nathaniel	Lamar	16831
146591	Kever	Shane	M	16824
304606	Maher	Kevin	Phillip	16826
714624	Mohney	Timothy	R	16766
379507	Montes	Edgar		16819
93314	Moretz	Charles	Christopher	16637
594073	Pastures	Patrick	Lamar	16850
385454	Robinson	Wendell	William Jr	16817
212611	Roulette	Mark	Alan	16732
686513	Scheller	Jonathan	Michael	16844
206153	Schultz	Christopher	Paul	16564
227760	Searcy	Michelle		16838
324050	Smith	Jeremiah	Truman	16828
96978	Zezenia	Michael	Joseph	16763

23. Mortgage Loan Originator Applications:

The following 27 mortgage loan originator applications are recommended for approval. Pursuant to 750 IAC 9-3-2(b), the department staff has determined that the professional training and experience, financial responsibility, character, and fitness of each applicant is such as to warrant belief that the mortgage loan originator will operate honestly and fairly within the purposes of the article.

These applications were approved by the Director on July 1, 2011, under delegated authority.

NMLS #	Last Name	First Name	Middle Name	Suffix	LicID #
519203	Alexander	Ray	Dean	Jr.	16873
7894	Algee	Jeremiah	Christopher		16694
399036	Buckles	William	C.		16749
36375	Carmack	Aaron	Johnny		16866
487830	Chase	Jack	Ray		16860
204319	Christoffel	Patrick	L		16579
493723	Copas	Roger	Scott		16837
314867	Fabulich	Richard	John		16144
332841	Frey	Deborah	Jane		16857
685469	Gwartz	Ethan	Scott	Mr.	16858
259432	Hullinger	Matthew	Richard		16851
396495	Keesling	Sherri	Lynn		16598
264766	Lincoln	Barbara	Jane		16847

13280	Long	David	W		16862
263490	Losser	Deborah	Ranae		16688
391056	Malinee	James	Steven		16843
111945	Morgan	Tracy	Jean		16832
316416	Palazzolo	Charles	Andrew		16869
305327	Paramore	Paul	Walter		16827
242725	Petersen	Dan	Charles		16868
646303	Rissler	Bradley	Matthew		16859
13930	Schrempp	Ryan			16623
470052	Sipes	Lee	A		16854
145340	Somers	Jason	Lee	Mr.	16836
305499	Thomas	Floria	Ann		16870
324019	Zawol	Dane	Michael		16829
30780	Zeftawi	Sayed			16830

OTHER BUSINESS:

Chairman Rice asked if there was other business. There being no further business, Chairman Rice entertained a motion to adjourn the meeting. Mr. Sweeney moved for adjournment, Mr. Schroeder seconded the motion, and the motion passed unanimously.

APPROVED:

ATTEST:

Richard J. Rice, Chairman

John J. Schroeder, Secretary