DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
FEBRUARY 14, 2002

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, February 14, 2002. Members present were Ronald E. Depasse, Acting Chairman; Tony Zaleski, Loretta M. Burd, James L. Saner and Briget Polichene. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Division; Kirk J. Schreiber, Senior Bank Analyst; Gina R. Williams, Senior Bank Analyst; Mark K. Powell, Supervisor, Credit Union Division, Mark Tarpey, Division Supervisor, Consumer Credit Division; Randall L. Rowe, Bank Supervisor; Chris McKay, Legal Assistant and Ronda Bailey, Administration Secretary. Guest was Michael Brown, from Executive Media Communications Consultant. Members Gary M. Smith and David D. Baer were absent.

I. PUBLIC SESSION

A.) Attendance

B.) Date of next meeting: March 14, 2002 @ 9:00 a.m.

C.) A motion was made for approval of the minutes of the meeting held December 20, 2001 by Mrs. Burd and was seconded by Mr. Zaleski **The minutes were unanimously approved.**

DIVISION OF BANK AND TRUST COMPANIES

1.) Community Bank of Southern Indiana, New Albany, Floyd County, Indiana

Mr. Kirk J. Schreiber, Senior Bank Analyst, presented this application. Community Bank of Southern Indiana ("Community") has applied to the Members of the Department for approval to merge with Heritage Bank of Southern Indiana, Jeffersonville, Clark County, Indiana ("Heritage"), pursuant to IC 28-1-7. Community will survive the merger. Both Community and Heritage are wholly owned subsidiaries of Community Bank Shares of Indiana, Inc. ("Holding Company"), New Albany, Indiana. As a result of the merger the main office of Heritage and branches of Community and Heritage are to be operated as branches of the resultant institution.

On a pro forma basis as of September 30, 2001, the resulting bank will have an adequate tier one capital ratio of 9.40%. The three-year average ROA for Community is 1.11% and the three-year average ROA for Peoples is 0.83%. As of September 30, 2001, the ROA for Community was 0.93% and the ROA for Heritage was 0.81%. On a pro forma basis this merger will reduce the duplication of operational expenses and increase market coverage, lending capabilities and product variety. Also on a pro forma basis, land and buildings represents 39% of sound capital. The investment in total fixed assets represents 25% of total

capital.

The Holding Company received a satisfactory BOPEC rating from the Federal Reserve Bank of St. Louis at their most recent bank holding company inspection of August 9, 2000. Both Community and Heritage received satisfactory CAMELS and CRA ratings at their most recent examinations.

With respect to the management of the resultant bank: 1) The board of directors of Heritage will join the board of directors of Community to form the board of directors of resultant bank; 2) Patrick Daily, President and CEO of Heritage will become the President of the resultant bank; 3) Kevin Cecil, CEO of Community will become CEO of resultant bank; 4) George Ball, Chief Credit Officer of Community will become Chief Credit Officer of the merged institution; 5) Paul Chrisco, Chief Financial Officer of Community, will remain as Chief Financial Officer of the resultant bank; and 6) All other officers and employees of Community and Heritage will be offered employment with resultant bank.

The Federal Deposit Insurance Corporation, Chicago Office is expected to approve this application on February 19, 2002.

The staff recommends approval of the merger.

A motion for approval of the merger application was made by Mrs. Burd and seconded by Mr. Saner. **The application was unanimously approved.**

2.) **<u>People's Trust Company, Brookville, Franklin County, Indiana</u>**

Ms. Gina R. Williams, Senior Bank Analyst, presented this application. People's Trust Company ("People's") has applied to the Members of the Department for approval to merge with Union Bank and Trust Company, Greensburg, Decatur County, Indiana ("Union Bank"). Prior to the presentation of the application, Jim Saner excused himself from the meeting due to a conflict of interest with the applicants. Mr. Saner is the president and a director of the applicant as well president and CEO of the two institutions holding company.

People's and Union Bank entered into an Agreement and Plan of Merger on November 26, 2001. People's will survive the merger; however, People's main office will be relocated to the current location of Union Bank's main office in Greensburg. The name of the resulting bank will be "MainSource Bank".

Both People's and Union Bank are wholly owned subsidiaries of Indiana United Bancorp, which is headquartered in Greensburg, Indiana.

On a pro forma basis as of September 30, 2001, the resulting bank will have total asset of $824 million and a tier 1 capital ratio of 7.21%. Also on a pro forma basis, land and buildings represents 22% of sound capital, well within the statutory limitation in IC 28-1-11-5. The three-year average

return on assets for Peoples is 1.18% and Union Bank's return on assets is 1.22%.

With the exception of Mr. Saner, the board of directors will consist of the combined board of directors of both banks. Daryl Tressler, who is presently president of Union Bank, will become president of the resulting bank.

Both institutions received Satisfactory ratings at their most recent Safety and Soundness examinations.

Betty Valdes of the Federal Deposit Insurance Corporation indicated the FDIC application would be approved once a satisfactory response to the most recent CRA examination of Union Bank and Trust Company was submitted to them.

Ms. Williams informed the Members that the staff concluded that the merger met the statutory requirements in IC 28-1-7-4 and therefore recommended approval.

Mr. Zaleski asked how reliable the Federal Reports of Examination are and what follow-up does the Department do if there are problems. Mr. Phillips explained that the Department has signed agreements with the federal regulators to provide for alternate examinations. If there are problems revealed during an examination and a corrective program is warranted, the corrective program will be signed by the Department as well as the federal regulator. In addition, the Department has initiated a program known as the "Central Point of Contact" whereby one senior level examiner is assigned to monitor each institution on a continual basis throughout the year in order to detect any deteriorating trends that may be developing.

A motion for approval of the merger application was made by Mr. Zaleski and seconded by Mrs. Burd. **The application was unanimously approved.**

Mr. Saner rejoined the meeting at this time.

3.) <u>Peoples National Bank, Washington, Daviess County, Indiana</u>

Ms. Gina R. Williams, Senior Bank Analyst, presented this application. Peoples National Bank ("Peoples") has applied to the Members of the Department for approval to convert from a nationally chartered bank to a state chartered commercial bank. The name of the resulting bank will be "Peoples Bank". Upon conversion, the Department and the Federal Deposit Insurance Corporation ("FDIC") will regulate the bank.

Peoples has branch locations in Washington, Plainville, Loogootee, and Cannelburg, Indiana. Daviess and Martin counties are its primary trade area. It is a wholly owned subsidiary of German American Holdings Corporation, which is a wholly owned subsidiary of German American Bancorp

('GAB"). GAB is a multi-bank holding company headquartered in Jasper, Indiana. Its stock is traded on NASDAQ under the symbol "GABC".

GAB's other financial institution subsidiaries include its lead bank, The German American Bank, Jasper, Indiana; First State Bank, Southwest Indiana, Tell City, Indiana; First American Bank, Vincennes, Indiana, a federal savings bank which also has a conversion application

pending before the Department; and Citizens State Bank, Petersburg, Indiana.

The Department conducted an examination of Peoples, which commenced on January 7, 2002. Examiners from the FDIC also participated on the examination. As of September 30, 2001, Peoples had total assets of $190 million, and total equity capital of $16 million.

The results of the examination revealed the overall financial condition of Peoples to be fundamentally sound. Capital was considered satisfactory and the risk profile of the bank was not considered to pose a threat to capital. The bank's tier 1 leverage capital ratio was 8.05%.

Earnings were considered strong and able to support projected growth. The bank has achieved a return on average assets of between 1.4% and 1.6% over the last several years. As of September 30, 2001, return on average assets was 1.5%. The budget process was considered sound and the results are closely monitored.

Credit risk was considered moderate but may increase as future loan growth will be focused in the commercial and consumer loan portfolios. Credit risk management practices were strong with board, committee and senior officer oversight effective in identifying and controlling the exposure in the loan portfolio. Loan classifications in the report mirror the internal classifications of management. No credit quality concerns were noted in the investment portfolio, which makes up approximately 25% of total assets.

Liquidity risk was considered low and funds management practices strong to sufficiently monitor and measure the level of risk. The holding company management performs ongoing monitoring of the liquidity position of the bank as well as on a corporate wide basis.

Interest rate risk was also considered low and supported by strong risk management practices and procedures. This is evidenced by a stable net interest margin and strong profitability through both rising and falling interest rate environments.

Management depth and succession were considered strong given the experience of the board and senior management and the additional expertise provided by the lead bank and holding company. There will be no changes in the directors, officers, or operating personnel due to the conversion.

Operational risk was considered moderate with acceptable risk management practices in place.

The audit process is considered strong and internal controls adequate. Legal and reputational risks are low and well managed.

An examination of People's trust department revealed the risk in the department to be low and generally well managed. Only minor recommendations were given in the examination.

A Depository Compliance Examination was also conducted by the Department as of January 15, 2002. Only one violation of the Indiana Uniform Credit Code concerning an NSF fee in

excess of what is allowable was noted.

The most recent examination conducted by the Office of the Comptroller of the Currency commenced on February 14, 2000. Overall, Peoples was considered in satisfactory condition. Board and management provided quality leadership, supervision, decision-making, and planning.

The Federal Reserve of St. Louis conducted a holding company inspection of GAB that commenced on July 30, 2001. The overall condition of the organization was considered satisfactory.

IC 28-3-2-1 provides for the approval of a national bank into a state chartered institution if the resulting bank meets the standards as to location, condition of assets, capital structure, and quality of management required of banks and trust companies by IC 28-11-5 or IC 28-2. Based on the findings of the examination conducted by the Department, Peoples National Bank is considered to meet these standards.

Approval of the charter conversion is recommended and the Members delegate their authority to the Director to approve any technical amendments that may be made to the Plan of Conversion.

A motion for approval of the plan of conversion was made by Ms. Polichene and seconded by Mr. Saner. **The application was unanimously approved.**

4.) <u>First American Bank, Vincennes, Knox County, Indiana</u>

Ms. Gina R. Williams, Senior Bank Analyst, presented this application. First American Bank ("First American") has applied to the Members of the Department for approval to convert from a federal savings bank to a state chartered commercial bank. Upon conversion, the Department and the Federal Deposit Insurance Corporation ("FDIC") will regulate the bank.

In addition to its main office, First American Bank has one branch location in Vincennes. Knox County, Indiana and Lawrence County, Illinois are its primary trade area.

First American is a wholly owned subsidiary of German American Bancorp. This is the same holding company of Peoples National Bank, which the Member just approved the conversion to a

state chartered commercial bank.

If the Member's approve this application, all of German American Bancorp bank subsidiaries will be state chartered commercial banks.

German American Bancorp acquired First American Bank in 1999. Prior to its acquisition by German American Bancorp, management of First American Bank implemented a mortgage arbitrage strategy whereby the bank's balance sheet was leveraged utilizing Federal Home Loan Bank borrowings to fund a mortgage portfolio at a spread.

This strategy caused a high level of credit risk because the portfolio contained a significant level of subprime and out of territory mortgages. This strategy also created a high level of interest rate risk because the FHLB borrowings contained "put" options, which were exercised in early 2000 during the rising interest rate environment.

German American Bancorp has been unwinding this arbitrage position since first acquiring First American Bank. Its goal is to eliminate it completely. To do this, the subprime lending operation was shut down, out of territory lending activities were ceased, and they stopped adding mortgages to the arbitrage portfolio. To improve credit quality, approximately $68 million of the subprime mortgages were sold in 2000, leaving only $3.5 million on the books. The FHLB borrowings were also restructured to ladder their maturities; however, their maturities extend until 2009 and hefty prepayment penalties impede their payoffs. Based on the maturity schedule of the borrowings, management expects it will take another three to five years to unwind the arbitrage strategy.

Internally, the bank is functionally divided into a traditional bank retail division and the mortgage banking division which consists of the arbitrage strategy. This internal division helps management monitor it's progress in unwinding the arbitrage strategy.

The Department conducted an examination of First American Bank which also commenced on January 7, 2002. Examiners from the Federal Deposit Insurance Corporation also participated on the examination. As of September 30, 2001, First American Bank had total assets of $225 million and total equity capital of $20 million.

Results of the exam found the credit risk and management of the loan and investment portfolios acceptable but may increase as management intends to grow the commercial loan portfolio in the retail division. Credit quality improved significantly as a majority of the subprime mortgages loans were sold from the mortgage division. Total loan delinquency is manageable at 1.25%. There was no credit quality concerns were noted in the investment portfolios. Credit risk management is acceptable, as board and senior management oversight are considered satisfactory. A loan review/credit analyst was recently hired to strengthen internal loan review.

Profitability has been hindered due to the net interest margin being adversely affected by the

mortgage arbitrage strategy and the high interest rate risk exposure of the balance sheet. In addition, residential mortgages represent 70% of the loan portfolio, resulting in relatively low asset yields. For the first three quarters of 2001, net income approximated $1.2 million for a return on assets of .66%. Profitability for 2002 is expected to improve.

Liquidity risk and interest rate risk was considered high. Once again this risk is centered in the mortgage banking division. The high level of FHLB advances contain substantial prepayment penalties and hinder the bank's ability to obtain funding at a reasonable cost. In addition, primarily all of the assets of the mortgage division are pledged as collateral for the

borrowings. However, these risks are mitigated by strong risk management practices.

Minutes of the Asset/liability Management Committee reflect active review and discussion of interest rate risk issues and strategies.

Improvement in interest rate risk should occur in 2003 as management intends to utilize mortgage loan runoff and excess cash to liquidate $26 million of the FHLB advances maturing at the end of this year.

As with Peoples National Bank, the holding company performs ongoing monitoring of the institution's liquidity and the corporate wide liquidity position. The organization overall is well above its corporate liquidity goal and can provide support if necessary.

Capital is considered satisfactory. As of September 30, 2001, the bank's tier 1 leverage capital ratio was 8.63%. An internal minimum capital to asset ratio of 7.5% has established.

Management is considered satisfactory and risk management practices are strong overall. Senior officers are competent with several years of banking experience. There will be no change in the directors, officers, or operating personnel due to the conversion. Holding company management is also active and effective in guiding significant risk areas of the bank.

Although risk is considered moderate to high for this bank due to the mortgage arbitrage strategy implemented by prior management, this area is considered well managed since German American Bancorp acquired the bank and no recommendations were noted in the Report of Examination.

The strategic planning process and audit function are strong and a satisfactory system of internal controls is in place. Legal, reputational, and strategic risks are low and well managed.

A Depository Compliance Examination was also conducted by the Department as of January 14, 2002. Only one violation of the Indiana Uniform Credit Code concerning an NSF fee in excess of what is allowable was noted.

The most recent OTS examination of First American commenced on July 9, 2001. Overall, First American was considered in sound financial condition.

IC 28-1-21.6-10 provides that the Department may approve the plan of charter conversion if it is determined that:

1) the resulting commercial bank will operate in a safe, sound, and prudent manner.

2) the proposed charter conversion will not result in a commercial bank that has inadequate

3) capital, unsatisfactory management, or poor earnings prospects.

4) the management or other principals are qualified by character and financial responsibility

5) to control and operate in a legal and proper manner the resulting commercial bank.

6) The interests of the depositors, creditors, and the public will not be jeopardized by the charter conversion.

Based on the findings of the Report of Examination, the applicant is considered by the staff to meet these requirements and therefore the staff recommends the plan of charter conversion of First American Bank to a state chartered commercial bank be approved and that the Member's delegate to the director the authority to approve any technical amendments to the Plan of Conversion that may be made.

After a brief discussion, a motion for approval of the plan of conversion was made by Mrs. Burd and seconded by Ms. Polichene. **The application was unanimously approved.**

CREDIT DIVISION DIVISION

1.) TECH CREDIT UNION, CROWN POINT, LAKE COUNTY, INDIANA

This application was presented by Mark K. Powell, Supervisor, Credit Union Division. Tech Credit Union has applied to the Members of the Department of Financial Institutions for approval of their proposed merger of Federal Employees Credit Union, Merrillville, Lake County, Indiana into Tech Credit Union.

This is a voluntary merger being entered into by the Board of Directors of Federal Employees Credit Union so that their members will be able to use the more complete and sophisticated services of Tech Credit Union.

Mr. Powell explained that three years ago Federal Employees Credit Union had been put out of their office within the Gary Post Office on very short notice. Along with the sudden move the credit union had also lost their long-time manager to a medical retirement, and has not been able to find an adequate replacement for her. Since the move and management loss the credit union has struggled to remain profitable. Even with inadequate profitability the credit union still has a very strong capital position at this time, therefore; the Board of Directors sought a voluntary merger at this time rather than being forced into a merger at some future date. Mr. Powell explained further that the Merrillville office of Federal Employees Credit Union would remain open as a Tech Credit Union branch, and the Federal Employees Credit Union employees would be entered into the Tech Credit Union training program and offered positions with Tech Credit Union.

Mr. Powell also pointed out that the merger would have little or no effect upon the balance sheet of Tech Credit Union.

Mrs. Burd asked if postal employees were the only group served by Federal Employees Credit

Union. Mr. Powell replied that there were several other groups of federal employees included in the field of membership of Federal Employees Credit Union, but that postal employees had been and remain the largest percentage of members.

A motion for approval of the voluntary merger was made by Mrs. Burd and seconded by Mr. Zaleski. **The application was unanimously approved.**

DIRECTOR'S COMMENTS AND REQUESTS

A.) The Farmers Bank, Frankfort, Clinton County, Indiana

On November 1, 2001, the bank notified the Department requesting permission to establish a non-qualifying subsidiary to be know as TriCapital, LLC, pursuant to IC 28-13-16. The purpose of TriCapital is to generate deposits and loans for the Bank and Farmers Merchants. **This item was for informational purposes only.**

B.) Lafayette Bank and Trust Company, Lafayette, Tippecanoe County, Indiana

On December 14, 2001, the bank notified the Department of its intent to establish three qualifying subsidiaries pursuant to IC 28-13-16. The subsidiaries will be known as Wabash Investments, Inc., Wabash Valley Holdings, Inc., and Wabash Valley, LLC All three subsidiaries are to be domiciled in Las Vagas, Nevada and wholly owned qualifying subsidiaries of Lafayette Bank and Trust Company. The LLC is being established to acquire, hold, sell, exchange and otherwise dispose of and collect the income from investment securities. **This item was for informational purposes only.**

C.) Bloomfield State Bank, Bloomfield, Greene County, Indiana

On December 31, 2001, the bank notified the Department of its intent to establish three

qualifying subsidiaries pursuant to IC 28-13-16. The subsidiaries will be known as Universal Investment Company, Inc., Universal Investment Center, Inc., and Universal Investments, LLC. All three subsidiaries are to be domiciled in Las Vagas, Nevada and wholly owned qualifying subsidiaries of Bloomfield State Bank. The LLC is being established to acquire, hold, sell, exchange and otherwise dispose of and collect the income from investment securities. **This item was for informational purposes only.**

D.) **Community Bank of Southern Indiana, New Albany, Floyd County, Indiana**

On December 31, 2001, the bank notified the Department of its intent to establish three qualifying subsidiaries pursuant to IC 28-13-16. The subsidiaries will be known as CBSI Holdings, Inc., CBSI Investments, Inc., and CBSI investment Portfolio Management, LLC. All three subsidiaries are to be domiciled in Las Vagas, Nevada and wholly owned qualifying subsidiaries of Community Bank of Southern Indiana. The LLC is being established to acquire, hold, sell, exchange and otherwise dispose of and collect the income from investment securities. **This item was for informational purposes only.**

E.) **Legislative Review and Update**

Phil Goddard and Chris McKay presented a brief overview of pending legislation that is a priority for the Department this session.

HB 1075 - payday loan bill, passed through the House 74-21. There's some concern consumer groups will try to kill it in the Senate, and that some lenders may try to attach an amendment that we would have to oppose.

HB 1139 - federal law reference update, passed House 84-0.

HB 1140 - credit union membership and loans, passed House 91-0. Identical to SB 202.

SB 202 - credit union membership and loans, passed Senate 50-0. Already passed through the House Financial Institutions Committee unanimously.

SB 306 - conversions of mutual savings association and mutual savings bank to credit unions, passed Senate 50-0. Passed House Financial Institutions Committee unanimously.

F.) **Director Phillips will advise the Members of actions taken pursuant to Delegated Authority. Mr. Phillips asked for any questions or clarifications of the actions, which are as follows:**

DIVISION OF BANK AND TRUST COMPANIES

1.) **THE CAPITAL TRUST COMPANY OF DELAWARE, WILMINGTON, NEW CASTLE**

COUNTY, DELAWARE

An application for issuance of a certificate of admission was received from The Capital Trust Company of Delaware, Wilmington, New Castle County, Delaware. The Capital Trust Company of Delaware is a nondeposit trust company chartered and regulated by the State of Delaware. The trust company has been in business for approximately two years and has approximately $250 million under its administration. The trust company will serve as trustee of both living trusts and trusts under wills, providing asset custody services and providing administrative services for trusts of which it is not trustee. It will not establish an office in the state. All account administration will be done in Delaware. Corporation Service Company, 251 East Ohio Street, Suite 500, Indianapolis, Marion County, Indiana has been appointed as resident agent for service of legal process by the trust company**. A Certificate of Admission was issued by the Director under Delegated Authority on December 13, 2001.**

2.) STAR WEALTH MANAGEMENT, MARION, GRANT COUNTY, INDIANA

The corporate fiduciary has applied for approval to relocate its main office from **315 South Adams Street, Marion, Grant County, Indiana** to **127 West Berry Street, Fort Wayne, Allen County, Indiana.** The application was received on November 1, 2001. The proposed main office will consist of 963 square feet inside an affiliate bank's branch building in downtown Fort Wayne. The corporate fiduciary will sublease from Star Financial Bank, an

affiliate. The rental amount is a pro rata portion of rent paid by Star Financial Bank to an unrelated third party plus pro rata portion of insurance and taxes. The transaction is considered to have been negotiated at arms length. Furniture, fixtures and equipment costs are approximated at $27M. The corporate fiduciary intends to operate the current main office as a trust office. As of September 30, 2001, the corporate fiduciary had assets under administration of $130 million and equity capital of $648M. **The Director approved this on December 13, 2001, under Delegated Authority.**

3.) STAR WEALTH MANAGEMENT, MARION, GRANT COUNTY, INDIANA

The corporate fiduciary has applied to the Department for approval to establish a trust office to be located at **6470 Allison Pointe Boulevard, Indianapolis, Marion County, Indiana.** The application was received on November 1, 2001. No insider relationship exists between any insiders of the corporate fiduciary and any of the parties involved. The proposed office will be a 2,870 square foot office space located within an office complex. The corporate fiduciary will lease the space from an independent third party, with an annual rental of $44M for the first year rising to $70M in the fifth year. The terms of the lease call for monthly rental for five years plus an option to renew for one extension at five years. Furniture, fixtures and equipment costs are approximated at $108M. As of September 30, 2001, the corporate fiduciary had assets under administration of $130 million and equity capital of $648M. This will be the institution's third office. **The Director approved this on December 13, 2001, under Delegated Authority.**

4.) THE RANDOLPH COUNTY BANK, WINCHESTER, RANDOLPH COUNTY, INDIANA

The bank has applied to the Department for approval to establish a branch banking office to be located at **450 West Chestnut Street, Union City, Randolph County, Indiana.** The application was received on November 13, 2001. The branch is to be known as The Randolph County Bank. The bank will purchase land and building from an independent third party for a cost of $260M. Furniture, fixtures, and equipment costs are projected at $125M. No insider relationship exists between any insiders of the bank and any of the parties involved in this transaction. The bank's three-year average ROA is 1.24%. As of September 30, 2001, the bank's Tier 1 leverage capital ratio is 7.50%. The investment in total fixed assets to total capital will be 17.70% after the establishment of the branch. This will be the institution's first branch. **The Director approved this on December 13, 2001, under Delegated Authority.**

5.) <u>HOME FEDERAL SAVINGS BANK, SEYMOUR, JACKSON COUNTY, INDIANA</u>

Home Federal Savings Bank has requested a two-year time frame to divest of the joint real estate venture projects that it has an investment in through its subsidiary, Home Savings Corporation. The Members approved the conversion of Home Federal Savings Bank from a federal stock saving bank to a state chartered commercial bank on October 11, 2001. As part of the approval, the Members delegated to the Director the authority to approve the time frame for the bank to divest itself of these real estate venture projects within the time frame permitted in IC 28-1-21.6-12**. Approval is recommended to allow the bank until December 31, 2003 to divest of the real estate joint venture projects. Should the bank**

not be able to divest of them within this time frame, a request to the director for additional time will be required. The Director approved this on December 27, 2001, under Delegated Authority.

6.) <u>SALIN BANK AND TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA</u>

The bank is requesting permission for a waiver on the limitation in IC 28-1-11-5 which restricts, except with the approval in writing from the Department, the sum invested in real estate and buildings used for the convenient transaction of the bank's business to 50% of sound capital. The bank is requesting permission to invest in real estate and buildings up to $20 million, which is the amount the bank has projected it will have invested in real estate and buildings based on its branching needs in the next several years. As of September 30, 2001, the bank's sound capital was $23 million and undivided profits were $33.8 million. The bank could transfer from undivided profits to surplus an amount sufficient to comply with the limitation established; however, since the bank is a member of the Federal Reserve it would be required to purchase additional Federal Reserve stock. **It is recommended that the bank be allowed to invest up to $20 million in real estate and buildings used for the convenient transaction of the bank's business. The Director approved this on December 27, 2001, under Delegated Authority.**

7.) <u>LAKE CITY BANK, WARSAW, KOSCIUSKO COUNTY, INDIANA</u>

The bank has applied to the Department for approval to establish a branch banking office to be located at the **Northwest Corner of State Road 8 and Melony Lane, Auburn, Dekalb County, Indiana.** The application was received on November 19, 2001. The branch is to be known as the **Lake City Bank Auburn Branch**. The bank has purchased a vacant lot from an independent third party for a cost of $520M. The estimated costs for constructing the branch is $450M. Furniture, fixtures, and equipment costs are projected at $150M. No insider relationship exists between any insiders of the bank and any of the parties involved in this transaction. The bank's three-year average ROA is 0.99%. As of September 30, 2001, the bank's Tier 1 leverage capital ratio is 7.21%. The investment in total fixed assets to total capital will be 28.89% after the establishment of the branch. This will be the institution's forty-third branch. **The Director approved this on January 11, 2002, under Delegated Authority.**

8.) <u>FIRST BANK OF BERNE, BERNE, ADAMS COUNTY, INDIANA</u>

The bank has applied to the Department for approval to establish a branch banking office to be located at **304 West Monroe Street, Decatur, Adams County, Indiana.** The application was received on December 10, 2001. The branch is to be known as the **First Bank of Berne**. The bank is in the process of purchasing a vacant lot from an independent third party for a cost of $150M. The estimated costs for constructing the branch is $509M. Furniture, fixtures, and equipment costs are projected at $161M. No insider relationship exists between any insiders of the bank and any of the parties involved in this transaction. The bank's three-year average ROA is 1.16%. As of September 30, 2001, the bank's Tier 1 leverage capital ratio is 11.71%. The investment in total fixed assets to total capital will be 17.31% after the

establishment of the branch. This will be the institution's sixth branch. **The Director approved this on January 11, 2002, under Delegated Authority.**

9.) <u>LAFAYETTE COMMUNITY BANK, LAFAYETTE, TIPPECANOE COUNTY, INDIANA</u>

The bank, a newly chartered commercial bank approved by the DFI on May 11, 2000, and opened for business on October 30, 2000, has applied to establish a mobile branch. The application was received on November 29, 2001. As contemplated in their formation application, the bank's primary competitive disadvantage would be the lack of convenient branch locations. Therefore, the bank intends to operate a mobile branch to provide convenience for its customers. The service will be targeted to commercial and nonprofit customers throughout Tippecanoe County.

The bank will utilize a bank employee to staff the mobile office. The bank proposes to use one unmarked automobile with a small fire resistant safe bolted to the floor. The automobile will be equipped with a cellular phone and an alarm system. Customers will sign a contract for the service. Clients will utilize sealed, tamper-proof, disposable depository bags to transmit their transactions. A cash limit of $5,000 per pick up will be enforced. A detailed tracking system will be implemented in order to establish an audit trail. The bank will maintain the appropriate insurance

coverage, bond, crime, general liability and automobile comprehensive, to ensure the safety of customer deposits and transactions in transit. The applicant has complied with all of the statutory requirements of IC 28-2-13. **The Director approved this on January 11, 2002, under Delegated Authority.**

10.) **FIFTH THIRD BANK, INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a two branch banking office to be located at **531 Frederica Street and 3205 Frederica Street, Owensboro, Daviess County, Kentucky.** The applications were received on December 4, 2001. The branches are to be known as **"Owensboro Downtown" and "Owensboro South"**, respectively. The bank entered into purchase and assumption agreement dated December 28, 2001, with Fifth Third Bank, Kentucky, an affiliated bank through common ownership. The purchase price for the two branches as outlined in the purchase and assumption agreement consists of the fair market value of the fixed assets and other real estate owned, plus cash on hand, plus overdraft line and passbook loan balance, minus the deposit liability amount, plus the designated loan balances and lease balances. No deposit premium will be paid. The bank's ROA as of September 30, 2001, is 1.3% and its Tier 1 leverage capital ratio is 11.16%. The investment in total fixed assets to total capital after the transaction is projected to be 8.78%. **The Director approved this on January 25, 2002, under Delegated Authority.**

11.) **THE FARMERS BANK, FRANKFORT, CLINTON COUNTY, INDIANA**

The bank has applied to the Department for approval to acquire a minority interest in a non-qualifying subsidiary to be known as TriCapital, LLC and located at **3685 Priority Way South Drive, Suite 130, Indianapolis, Indiana.** The application was received on November

1, 2001. The Bank proposes to acquire a minority interest in TriCapital, LLC pursuant to an Operating Agreement by and among the Bank, Farmers-Merchants National Bank, Paxton, Illinois ("Farmers-Merchants"), and BP Investments, LLC ("BP"), collectively referred to as the Members. BP is to be formed as an Indiana limited Liability Company wholly owned by Precedent Capital, LLC. The Bank will hold a forty percent interest (40% or 4,000 units) in TriCapital, and Farmers-Merchants and BP will each hold a thirty percent interest (30% or 3,000 units) in TriCapital. The bank's initial investment in TriCapital will be $240,000. The purpose of TriCapital is to generate deposits and loans for the Bank and loans for Farmers-Merchants. The bank's three-year average ROA is 1.35%. As of September 30, 2001, the bank's Tier 1 leverage capital ratio is 8.09%. Based on the information provided in the application, the investment by the Bank in TriCapital meets the criteria established in the Department's Policy for Establishing a Bank Subsidiary. **The Director approved this on January 25, 2002, under Delegated Authority, CONTINGENT ON THE FOLLOWING CONDITIONS -**

1. **The Bank's capital investment in TriCapital, LLC may not exceed 2.5% of the Bank's Tier 1 Leverage Capital Ratio without prior approval from**

the Director.

2. **TriCapital LLC shall have an audit of its financial statements annually for the first three years of operations performed by a public accountant approved by the Department.**

DIVISION OF CREDIT UNIONS

1.) TECH CREDIT UNION, CROWN POINT, LAKE 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. Pursuant to IC 28-7-1-10 (which 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:

Pyramid Metallizing, Inc. – Michigan City – 11 members (common bond of occupation as defined by 28-7-1-10)
AGP Consulting, Inc. – Crown Point - 5 members (common bond of occupation as defined by 28-7-1-10)
Steel Family Health Care Center – Chesterton – 35 members (common bond of occupation as defined by 28-7-1-10)
Inland Detroit Diesel-Allison – Gary – 25 members (common bond of occupation as defined by 28-7-1-10)
Petland – Joliet, IL – 12 members (common bond of occupation as defined by 28-7-1-10)
Royal Castle Construction – New Lenox, IL – 15 members (common bond of occupation as defined by 28-7-1-10)
Center for Neurological Diseases, SC – Crest Hill, IL – 4 members (common bond of occupation as defined by 28-7-1-10)

Waste Consultants of Illinois – Plainfield, IL – 3 members (common bond of occupation as defined by 28-7-1-10)
Employees of Lake County, Indiana – Crown Point – 2,280 members (common bond of occupation as defined by 28-7-1-10)
Polycon Industries, Inc. – Merrillville – 175 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on December 20, 2001, under Delegated Authority.

2.) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH 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. Pursuant to IC 28-7-1-10 (which 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:

Forge Industrial Staffing – South Bend – 250 members (common bond of occupation as defined by 28-7-1-10)
Quality Applicator – South Bend - 3 members (common bond of occupation as defined by 28-7-1-10)
Rolling Prairie Properties, LLC – Plymouth – 2 members (common bond of occupation as defined by 28-7-1-10)
SRB, LLC – Mishawaka – 4 members (common bond of occupation as defined by 28-7-1-10)
The Ridge Company – South Bend – 220 members (common bond of occupation as defined by 28-7-1-10)
King Systems Corporation – Noblesville – 350 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on December 21, 2001, under Delegated Authority.

3.) <u>TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA</u>

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which 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:

Employees & Members of Saint Anthony de Padua Roman Catholic Church – South Bend – 3,200 members (common bond of occupation and or church membership as defined by 28-7-1-10)
"Catch the Fire" Christian Fellowship Church – Warsaw – 65 members (common bond of occupation and or church membership as defined by 28-7-1-10)
Hammer Plastics, Inc. – Mishawaka – 3 members (common bond of occupation as defined by 28-7-1-10)
Radiant Investments, LLC – South Bend – 2 members (common bond of occupation as defined by 28-7-1-10)

Amazing Aire Systems, Inc. – Fishers – 1 member (common bond of occupation as defined by 28-7-1-10)
H & D Enterprises, LLC – Huntington – 3 members (common bond of occupation as defined by 28-7-1-10)
Scott Enterprise, Inc. – Huntington – 11 members (common bond of occupation as defined by 28-7-1-10)
SHIVA Hospitality Corporation – Plymouth – 2 members (common bond of occupation as defined by 28-7-1-10)
Area Construction – South Bend – 1 member (common bond of occupation as defined by 28-7-1-10)
Smithco, Inc. – South Bend – 30 members (common bond of occupation as defined by 28-7-1-10)

Advanced Pet Containment – Niles, MI – 2 members (common bond of occupation as defined by 28-7-1-10)
United Mechanical Services, LLC – South Bend – 3 members (common bond of occupation as defined by 28-7-1-10)
Arlington Gardens, LLC – Indianapolis – 5 members (common bond of occupation as defined by 28-7-1-10)
Acorn Landscaping, LLC – South Bend – 2 members (common bond of occupation as defined by 28-7-1-10)
Awesome Bodies Youth Empowerment – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10)
DKB, Inc. – Indianapolis – 1 member (common bond of occupation as defined by 28-7-1-10)

The Director approved this on January 2, 2002, under Delegated Authority.

4.) INDIANA MEMBERS 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. Pursuant to IC 28-7-1-10 (which 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:

Advanced Research and Technology Institute, Inc. – Indianapolis – 38 members (common bond of occupation as defined by 28-7-1-10)
Aspen Systems Corporation – Indianapolis – 100 members (common bond of occupation as defined by 28-7-1-10)
Astra Digital, Inc. – Indianapolis – 5 members (common bond of occupation as defined by 28-7-1-10)
Benicorp Insurance Company – Indianapolis – 120 members (common bond of occupation as defined by 28-7-1-10)
Echo Engineering & Production Supplies, Inc. – Indianapolis – 40 members (common bond of occupation as defined by 28-7-1-10)
EAS, Inc.d/b/aMile High Distribution, Inc. – Golden, CO – 15 members (common bond of

occupation as defined by 28-7-1-10)
Home & Family Companion Services, LLC – Indianapolis – 32 members (common bond of occupation as defined by 28-7-1-10)
Intelex, Inc. – Carmel – 90 members (common bond of occupation as defined by 28-7-1-10)
Klipsch Audio Technologies – Indianapolis – 100 members (common bond of occupation as defined by 28-7-1-10)
Mann Realty Company d/b/a Mann Properties – Indianapolis – 25 members (common bond of occupation as defined by 28-7-1-10)
Tyler Mason Designs – Indianapolis – 23 members (common bond of occupation as defined

by 28-7-1-10)

The Director approved this on January 2, 2002, under Delegated Authority.

5.) <u>FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA</u>

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which 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:

Progeny Linux Systems, Inc. – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10)
Health Care Education & Training – Indianapolis – 3 members (common bond of occupation as defined by 28-7-1-10)
SERVCO, LLC – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10)
Landrum's Carpet Care Solutions, LLC – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10)
Pamida, Inc. – Lebanon – 250 members (common bond of occupation as defined by 28-7-1-10)
Johnson County REMC – Franklin – 44 members (common bond of occupation as defined by 28-7-1-10)
Buyers Wholesale Distributors, Inc. – Indianapolis – 57 members (common bond of occupation as defined by 28-7-1-10)
Hawthorn Golf Club – Fishers – 80 members (common bond of occupation as defined by 28-7-1-10)
Handleman Company – Indianapolis – 500 members (common bond of occupation as defined by 28-7-1-10)
Prime Source – Indianapolis – 42 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on January 8, 2002, under Delegated Authority.

6.) <u>CENTRA CREDIT UNION, COLUMBUS, BATHOLOMEW COUNTY, INDIANA</u>

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which 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:

Midwest ExecuRecruiters, Inc. – Seymour – 3 members (common bond of occupation as defined

by 28-7-1-10)
Country Chevrolet-Pontiac-Buick-Oldsmobile – North Vernon – 30 members (common bond of occupation as defined by 28-7-1-10)
Covered Bridge Golf Club – Sellersburg – 60 members (common bond of occupation as defined by 28-7-1-10)
Days Inn Sellersburg – Sellersburg – 25 members (common bond of occupation as defined by 28-7-1-10)
Thompson Hometown Auto Center – Salem – 3 members (common bond of occupation as defined by 28-7-1-10)
Tooling Solutions By Design – Greensburg – 2 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on January 8, 2002, under Delegated Authority.

7.) HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE 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. Pursuant to IC 28-7-1-10 (which 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:

Orange County Animal Clinic – Paoli – 8 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on January 16, 2002, under Delegated Authority.

8.) SULLIVAN COUNTY FARM BUREAU CREDIT UNION, SULLIVAN, SULLIVAN 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. Pursuant to IC 28-7-1-7 (which allows a credit union to amend its' Articles of Incorporation to change its' corporate name) this amendment would change the corporate name of the credit union to:

Sullivan County Credit Union

The Director approved this on January 25, 2002, under Delegated Authority.

9.) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH 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. Pursuant to IC 28-7-1-10 (which 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:

Comerica Construction – Granger – 2 members (common bond of occupation and or church membership as defined by 28-7-1-10)
MD Technicians, Inc. – Plymouth – 5 members (common bond of occupation as defined by 28-7-1-10)
Creech Real Estate, LLC – Osceola – 1 member (common bond of occupation as defined by 28-7-1-10)
Midwest Sports Academies, Inc. – Osceola – 5 members (common bond of occupation as defined by 28-7-1-10)
B&B Homes, LLC – Mishawaka – 1 member (common bond of occupation as defined by 28-7-1-10)
South Bend Basketball Club – South Bend – 1 member (common bond of occupation as defined by 28-7-1-10)
Moore & Moore Properties, LLC – South Bend – 3 members (common bond of occupation as defined by 28-7-1-10)
Humes Trucking, Inc. – Argos – 2 members (common bond of occupation as defined by 28-7-1-10)
The Dugout, Inc. – South Bend – 11 members (common bond of occupation as defined by 28-7-1-10)
Persinger Companies, Inc. – Greenwood – 1 member (common bond of occupation as defined by 28-7-1-10)
Weiss Prestain, Inc. – North Liberty – 50 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on January 25, 2002, under Delegated Authority.

10.) <u>INDIANA MEMBERS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA</u>

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which 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:

Hehner & Douglass – Indianapolis – 10 members (common bond of occupation and or church membership as defined by 28-7-1-10)
Herff Jones, Inc. – Indianapolis – 600 members (common bond of occupation as defined by 28-7-1-10)
A2SO4 Architecture, LLC – Indianapolis – 6 members (common bond of occupation as defined by 28-7-1-10)

Walther Cancer Institute – Indianapolis – 134 members (common bond of occupation as defined

by 28-7-1-10)
Red Top Rentals, Inc. – Indianapolis – 6 members (common bond of occupation as defined by 28-7-1-10)
The Children's Garden – Indianapolis – 15 members (common bond of occupation as defined by 28-7-1-10)
Saturn Biomedical, Inc. – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10)
Titan Biomedical, Inc. – Anderson – 5 members (common bond of occupation as defined by 28-7-1-10)
Employees of Old Bethel UMC – Indianapolis – 35 members (common bond of occupation as defined by 28-7-1-10)
AT Systems Technologies, Inc. – Indianapolis – 120 members (common bond of occupation as defined by 28-7-1-10)
Gene Ray Heating & Cooling, Inc. – Beech Grove – 12 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on February 1, 2002, under Delegated Authority.

11.) <u>FAMILY HORIZONS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA</u>

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which 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:

Ticketmaster – Indianapolis – 15 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on February 4, 2002, under Delegated Authority.

12.) <u>FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA</u>

The credit union has filed a request for approval of a Petition for Approval of a Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which 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:

Best Rentals – Indianapolis – 11 members (common bond of occupation as defined by 28-7-1-10)
Connor Real Estate, LLC – Indianapolis - 2 members (common bond of occupation as defined by 28-7-1-10)
Western Select – Indianapolis – 8 members (common bond of occupation as defined by 28-7-1-10)
ARSEE Engineers, Inc. – Noblesville – 18 members (common bond of occupation as defined

by 28-7-1-10)
Hughes Drywall Company, Inc. – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10)
Metro Printed Products – Greenwood – 4 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on February 4, 2002, under Delegated Authority.

13.) **HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE 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. Pursuant to IC 28-7-1-10 (which 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:

Green Farms, L.L.C. dba Wright Timber – Mitchell – 8 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on February 6, 2002, under Delegated Authority.

CONSUMER CREDIT DIVISION

1.) Best Mortgage and Financial Services, Inc. is requesting a consumer loan license. Applicant is based in Oak Brook, IL. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in 15 states and are licensed as a loan broker with the Securities Division of the Secretary of State. Applicant is recommended for approval. **The Director approved this on January 15, 2002, under Delegated Authority.**

2.) Evergreen Financial LLC is requesting a consumer loan license. Applicant is based in Chicago, IL. They will be making manufactured housing loans. They will be servicing their loans. Initially, they will just be purchasing retail contracts from Great American Home Sales who are manufactured housing dealers in Indiana. In the future, they may make direct consumer loans. Applicant is recommended for approval. **The Director approved this on January 15, 2002, under Delegated Authority.**

3.) First Banc Mortgage, Inc. is requesting a consumer loan license. Applicant is based in Rolling Meadows, IL and is wholly owned by First Bank, a state chartered, Federal Reserve member, commercial bank headquartered in St. Louis County, Missouri. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 8 states. Applicant is recommended for approval. **The Director approved this on January 15, 2002, under Delegated Authority.**

4.) Innovex Mortgage, Inc. is requesting a consumer loan license. Applicant is based in Campbell, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in twelve states. Applicant is recommended for approval. **The Director approved this on January 15, 2002, under Delegated Authority.**

5.) Moore Financial Interprises, Inc. d/b/a Lenders Diversified is requesting a consumer loan license. Applicant is based in Amherst, OH. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in six states. Applicant is recommended for approval. **The Director approved this on January 15, 2002, under Delegated Authority.**

6.) Paramount Mortgage Services, Inc. is requesting a consumer loan license. Applicant is based in Bordentown, NJ. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in seven states. Applicant is recommended for approval. **The Director approved this on January 15, 2002, under Delegated Authority.**

7.) SouthStar Funding, LLC is requesting a consumer loan license. Applicant is based in Atlanta, GA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in thirteen states. Applicant is recommended for approval. **The Director approved this on January 15, 2002, under Delegated Authority.**

8.) Envios Rapidos International Corp. is requesting a money transmitter license. Applicant is based in Corona, NY with one agent in Fort Wayne to begin operations. Money will be transmitted via wire transfers to Hispanic population. They currently operate in twelve states. They have met all of the financial requirements under the Act. Applicant is recommended for approval. **The Director approved this on January 15, 2002, under Delegated Authority.**

There being no further business to come before the Members, a motion to adjourn the meeting was made by Mrs. Burd and seconded by Mr. Zaleski. The motion was unanimously approved.

APPROVED: **ATTEST:**

Ronald D. Depasse, Acting Chairman

J. Philip Goddard, Secretary