

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
FEBRUARY 11, 2010

The Members of the Department of Financial Institutions met at 10:00 a.m., EDT, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Attending the meeting 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; Connie Gustafson, Assistant Legal Counsel; Gina R. Williams, Deputy Director, Administration Division; Troy Pogue, Supervisor, Administration Division; Mark Powell, Supervisor, Credit Union Division; Mark Tarpey, Supervisor, Consumer Credit Division; Jim Harrell, Assistant to the Supervisor, Consumer Credit Division; Ronda Bailey, Executive Secretary. Guests were Ron Budzinski, CEO representing First Trust Credit Union and Chuck Donovan, CEO representing Members Source Credit Union.

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

- A. James Cooper presented to the Members a review of confidential regulatory matters pursuant to IC 28-1-2-30. This aspect of the Executive Session is authorized by IC 5-14-1.5-6.1 (b)(7).
- B. John Schroeder presented to the Members pending litigation. This aspect of the Executive Session was authorized by IC 5-14-1.5-6.1(b)(2)(B).

II. PUBLIC SESSION: 10:30 a.m.

- A. Members Present: Richard J. Rice, Chairman, Mark A. Schroeder, Vice Chairman; Michael W. Davis, Donald E. Goetz, Paul Sweeney, Jean Wojtowicz and David H. Mills, Director.
- B. Date of next meeting: March 11, 2010 @ 10:00 a.m., at the Indiana Department of Financial Institutions, 30 South Meridian Street, Suite 300, Indianapolis, Indiana.
- C. Chairman Rice entertained a motion to approve the minutes of the meeting held December 17, 2009. Mr. Sweeney moved approval of the minutes; David Mills, Director seconded the motion, and the motion passed unanimously.
- D. No action was taken pursuant to the Executive Session, as the information was advisory only.

E. CREDIT UNION DIVISION

1. First Trust Credit Union, Michigan City, LaPorte County, Indiana

This application was presented by Mark K. Powell, Supervisor, Credit Union Division. First Trust Credit Union applied to the Members of the Department of Financial Institutions for approval of their proposed merger of Select Community Federal Credit Union, Valparaiso, Porter County, Indiana into First Trust Credit Union.

This was a voluntary merger initiated by the Board of Directors of Select Community Federal Credit Union. This merger will provide the more complete and sophisticated services of First Trust Credit Union to the members of Select Community Federal Credit Union.

Mr. Powell explained that Select Community Federal Credit Union has been struggling to maintain profitable operations for the last several years, and the members of Select Community Federal Credit Union have been requesting financial services that are not economically feasible

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for the credit union to provide. Rather than continuing these struggles the Board of Directors felt that seeking a merger was in the best interests of the membership.

Mr. Powell further pointed out that the merger was approved by the National Credit Union Administration on December 14, 2009.

A motion for approval was made by Mr. Don Goetz and seconded by Mr. Schroeder. The application was unanimously approved.

2. Members Source Credit Union, Merrillville, Lake County, Indiana

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

This was a voluntary merger initiated by the Board of Directors of SMH Federal Credit Union. This merger will provide the more complete and sophisticated services of Members Source Credit Union to the members of SMH Federal Credit Union.

Mr. Powell explained that SMH Federal Credit Union has been struggling to maintain profitable operations due to the unstable economy, further the members of SMH Federal Credit Union have been requesting financial services that are not economically feasible for the credit union to provide. The Board of Directors decided that rather than continue these struggles they would seek a merger with Members Source Credit Union.

Mr. Powell further pointed out that the merger was approved by the National Credit Union Administration on January 4, 2010.

Mr. Goetz asked if the circumstances of this merger were common among credit unions. Mr. Powell replied that they were.

Ms. Wojtowicz inquired as to the deposit insurer of the four credit unions involved in the two mergers considered by the Members during this meeting. Mr. Powell replied that all four credit unions are insured by the National Credit Union Administration.

A motion for approval was made by Mr. Mike Davis and seconded by Mr. Sweeney. The application was unanimously approved.

F. CONSUMER CREDIT DIVISION

1. Jim Harrell presented to the Members for approval the adoption of Indiana Uniform Consumer Credit Code dollar amount changes under IC 24-4.5-1-106, effective July 1, 2010, based on the Consumer Price Index, U.S. City Average. Also presented to the Members for approval was the adoption of dollar amount adjustments as provided in IC 24-9-2-8 for High Cost Loans, and first time adjustments in IC 34-55-10-2.5 for bankruptcy property exemption amounts, to be effective March 1, 2010. **A motion for approval was made by Mr. Don Goetz and seconded by Ms. Wojtowicz. The request was unanimously approved.**

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2. John Schroeder presented to the Members for approval certain amendments to the administrative rules relating to mortgage loan originators. (750 IAC 9 *et seq.*) Mr. Schroeder explained that these proposed changes are technical clarifications that have been developed largely as a result of discussions with the industry, the Securities Commissioner, and feedback from the U.S. Department of Housing and Urban Development. **A motion for approval was made by Mr. Mark Schroeder and seconded by Mr. Davis. The request was unanimously approved.**

G. DIRECTOR'S COMMENTS AND REQUESTS

1. John Schroeder updated the Members on Legislative matters. Mr. Schroeder advised the Members that the bill with the Department's legislation, SB 328, had been approved by the Senate and was currently moving through the House. **This item was for informational purposed only.**
2. John Schroeder provided the Members with an update on the case of *Midwest Title Loans, Inc. v. David H. Mills, Director of the Indiana Department of Financial Institutions*, No. 09-2083, UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT, 2010 U.S. App. LEXIS 1929, November 10, 2009, Argued, January 28, 2010, Decided. Mr. Schroeder reported that the Court of Appeals affirmed the judgment of the District Court. He further explained that the Solicitor General is considering whether or not to petition for a writ of certiorari to the United States Supreme Court. **This item was for informational purposed only.**
3. MainSource Bank, Greensburg, Decatur County, Indiana informed the Department of their intent to close their Lafayette Branch located at 50 West 250 South, Lafayette, Indiana and their Portage North Branch located at 5200 Central Avenue, Portage, Indiana. The closings will take place on April 30, 2010. **This item was for informational purposes only.**

H. ACTIONS BY DELEGATED AUTHORITY

1. **STAR Financial Bank, Fort Wayne, Allen County, Indiana**
On November 7, 2009 STAR Financial Bank applied for approval of a merger with STAR Wealth Management, Fort Wayne, Allen County, Indiana pursuant to IC 28-1-7. STAR Financial Bank will be the surviving entity. Both STAR Financial Bank and STAR Wealth Management are 100% owned by STAR Financial Group, Inc., Fort Wayne, Indiana. The name of the resultant institution will remain STAR Financial Bank. **This was approved by the Director on December 15, 2009, under delegated authority.**
2. **Ameriana Bank, New Castle, Henry County, Indiana**
On November 20, 2009 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 of \$180,000 to its holding company, Ameriana Bancorp, New Castle, Indiana. The dividend will be upstreamed to the parent holding company for its regular fourth quarter dividend and for other holding company expenses. **This was approved by the Director on December 15, 2009, under delegated authority.**
3. **Tower Bank & Trust Company, Fort Wayne, Allen County, Indiana**
On November 25, 2009, the bank applied to the Department for approval to relocate a branch office from 1545 West Dupont Road, Fort Wayne, Allen County, Indiana to 10140 Lima Road,

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Fort Wayne, Allen County, Indiana. The branch will be known as the Dupont Branch. **This was approved by the Director on December 15, 2009, under delegated authority.**

4. Jackson County Bank, Seymour, Jackson County, Indiana

On November 20, 2009, the bank requested permission to hold five parcels of property in excess of three years for future expansion as prescribed in IC 28-1-11-5. The oldest parcel was purchased in 2002 and is a vacant lot on the west side of Seymour located at Lot #4 at Tipton Crossing on East Tipton Street. The remaining four parcels are all adjoining and are contiguous to the bank's main office in Seymour. They are located at: 109 St. Louis Avenue, purchased in 2003, currently being used as the bank's maintenance facility; 100 Jefferson Avenue, purchased in 2004, current building being leased; and two vacant lots with no physical address, purchased in 2003. **The bank's request for an extension on five parcels of property until December 31, 2010, was approved by Action Taken by the Director on December 15, 2009.** 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.

5. The LaPorte Savings Bank, LaPorte, LaPorte County, Indiana

On November 30, 2009, the bank requested permission to hold a parcel of property in excess of three years as prescribed in IC 28-1-11-5. The property is located at 1201 East Lincoln Highway, Valparaiso, Indiana. **The bank's request for an extension to hold a parcel of property until December 31, 2010, was approved by Action Taken by the Director on December 15, 2009.** 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.

6. Nexus Fiduciary Trust Corporation, Fishers, Hamilton County, Indiana

The board of directors of Nexus Fiduciary Trust Corporation appointed and submits a request to the Department for approval of the appointment of Lawrence T. Toombs to serve as liquidating agent in the dissolution of the corporate fiduciary. Mr. Toombs is Director and President of Nexus Fiduciary Trust Corporation. The dissolution of Nexus Fiduciary Trust Corporation was approved by the Members of the Department at the December 17, 2009 meeting. **The approval to appoint Lawrence T. Toombs to serve as liquidating agent in the dissolution of the corporate fiduciary was approved by the Director on December 21, 2009, under delegated authority.**

7. DeMotte State Bank, DeMotte, Jasper County, Indiana

On January 21, 2010, the bank requested permission to hold a parcel of property in excess of three years as prescribed in IC 28-1-11-5. The property is located directly east across the street from the main office in DeMotte, Indiana. No address has been assigned to the vacant lot. The property was purchased on January 13, 2006. At the bank's board meeting on January 18, 2010, the board adopted a board resolution reaffirming that the bank intends to hold this real estate for future branch development. The purpose of this property acquisition is to move their current drive-up facility to this location combining it with a new operation center. **The banks request for an extension to hold a parcel of property until January 31, 2011, was approved by Action Taken by the Director on January 28, 2010.**

8. Bank of Wolcott, Wolcott, White County, Indiana

On January 13, 2010, the bank applied to the Department for approval to establish a branch office to be located at 506 North Maine Street, Remington, Jasper County, Indiana. The branch is to be known as the **Remington Office**. **This was approved by the Director on January 28, 2010, under delegated authority.**

9. **Ameriana Bank, New Castle, Henry County, Indiana**

On January 25, 2010 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 of \$260,000 to its holding company, Ameriana Bancorp, New Castle, Indiana. The dividend will be upstreamed to the parent holding company to fund holding company obligations, for its regular first quarter dividend and for other holding company expenses. **This was approved by the Director on January 28, 2010, under delegated authority.**

10. **Teachers Credit Union, South Bend, St. Joseph County, Indiana**

The credit union 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:

Cressy & Everett Real Estate – South Bend – 150 members (common bond of occupation as defined by 28-7-1-10)

Field of Dreams Dog Park – Niles, MI – 2 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on December 22, 2009, under delegated authority.**

11. **Forum Credit Union, Indianapolis, Marion County, Indiana**

The credit union 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:

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

Cornerstone Chiropractic – Avon – 7 members (common bond of occupation as defined by 28-7-1-10)

Pala Chiropractic, LLC – Noblesville – 2 members (common bond of occupation as defined by 28-7-1-10)

Smart IT Staffing – 89 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on January 28, 2010, under delegated authority.**

12. **Teachers Credit Union, South Bend, St. Joseph County, Indiana**

The credit union 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:

Rising Sun – Ohio County Community Schools – Rising Sun – 120 members (common bond of occupation as defined by 28-7-1-10)

Riverside Bait & Tackle – White Pigeon, MI – 1 member (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on February 3, 2010, under delegated authority.**

13. **Indiana Members Credit Union, Indianapolis, Marion County, Indiana**

The credit union 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

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groups to its field of membership. This amendment would place the following organizations into the field of membership of the credit union:

Marsh – Indianapolis – 10,000 members (common bond of occupation as defined by 28-7-1-10)

LoBill Foods – Indianapolis – 3000 members (common bond of occupation as defined by 28-7-1-10)

Crystal Food Services – Indianapolis – 100 members (common bond of occupation as defined by 28-7-1-10)

Village Pantry – Indianapolis – 1,575 members (common bond of occupation as defined by 28-7-1-10)

Berkheimer Plumbing, Heating & Air Conditioning – Indianapolis – 4 members (common bond of occupation as defined by 28-7-1-10)

McNamara Florist – Indianapolis – 100 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on February 3, 2010, under delegated authority.**

14. **LenderLive Network, Inc.** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending License. Applicant is based in Glendale, Colorado. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 15, 2009, under delegated authority.**
15. **Network Funding, L.P.** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in Houston, Texas. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 15, 2009, under delegated authority.**
16. **Oaktree Funding Corp.** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in Upland, California. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 15, 2009, under delegated authority.**
17. **RanLife, Inc.** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. They are also applying for a Subordinate Lien Mortgage License. Applicant is based in Salt Lake City, Utah. They will be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 15, 2009, under delegated authority.**
18. **Secured Residential Funding, Inc.** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in San Juan Capistrano, California. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 15, 2009, under delegated authority.**
19. **The Mortgage Warehouse** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in Louisville, Kentucky. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 15, 2009, under delegated authority.**
20. **RanLife, Inc.** applied via the Nationwide Mortgage Licensing System for a Subordinate Lien Mortgage Lending license. They are also applying for a First Lien Mortgage License. Applicant is based in Salt Lake City, Utah. They will be servicing their loans. Loans will be closed by title

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companies. **This was approved by the Director on December 15, 2009, under delegated authority.**

21. **American Mortgage Specialists, Inc.** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. They specialize in Reverse Mortgages. Applicant is based in Scottsdale, Arizona. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 23, 2009, under delegated authority.**
22. **INT Financial Services, Inc d/b/a INT Home Loans** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in Indianapolis, Indiana. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 23, 2009, under delegated authority.**
23. **RoundPoint Mortgage Company** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. They are also applying for a Subordinate Lien Mortgage License. Applicant is based in Charlotte, North Carolina. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 23, 2009, under delegated authority.**
24. **Roundpoint Mortgage Company** applied via the Nationwide Mortgage Licensing System for a Subordinate Lien Mortgage Lending license. They are also applying for a First Lien Mortgage License. Applicant is based in Salt Lake City, Utah. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 23, 2009, under delegated authority.**
25. **Rate One, Inc.** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in Memphis, Tennessee. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on January 22, 2010 under delegated authority.**
26. **United Fidelity Funding Corp.** applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. Applicant is based in Kansas City, Missouri. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on January 22, 2010, under delegated authority.**
27. **Lutheran Church Extension Fund-Missouri Synod** applied via the Nationwide Mortgage Licensing System for a Subordinate Lien Mortgage lending license. Applicant is based in St. Louis, Missouri. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on January 22, 2010, under delegated authority.**

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CERTIFICATION:

The Department certifies that the business discussed in the Executive Session was limited only to business that was set out in the Department's Notice of Meeting and Agenda under the heading of "Executive Session." All action taken by the Department, if any, relating to the business discussed in the Executive Session was conducted in the Public Session.

Other Business. Chairman Rice asked if there was other business. There being no further business, Chairman Rice entertained a motion to adjourn. Mr. Davis moved the motion to adjourn and Mr. Goetz seconded the motion, and the motion passed unanimously.

APPROVED:

ATTEST:

Richard J. Rice, Vice Chairman

John J. Schroeder, Secretary