

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
JANUARY 13, 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. 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, Bank Division and Assistant Secretary; Kirk J. Schreiber, Senior Bank Analyst; Gina R. Williams, Deputy Director, Administration Division; Troy Pogue, Supervisor, Administration Division; Mark Tarpey, Supervisor, Consumer Credit Division; Mark Powell, Supervisor, Credit Union Division and Sharmaine Stewart, Administrative Assistant. Guests were: Mortgage Loan Originator applicant Matthew Gabriel and his guest Krissy Hise; Mortgage Loan Originator applicant Matthew Kline; and Capitol Police Officer Ryan Imel.

I. PUBLIC SESSION:

- A. Members Present: Richard J. Rice, Chairman; Mark A. Schroeder, Vice Chairman; Michael W. Davis; Donald E. Goetz; Paul R. Sweeney; Jean L. Wojtowicz and David H. Mills, Director.
- B. Chairman Rice entertained a motion to approve the minutes for December 16, 2010 meeting. Mr. Schroeder moved approval of the minutes; Mr. Sweeney seconded the motion, and the motion passed unanimously.
- C. Date of next meeting. March 17, 2011@ 10:00 a.m., at the Indiana Department of Financial Institutions, 30 South Meridian Street, Suite 300, Indianapolis, Indiana.

D. CONSUMER CREDIT DIVISION:

1. Adoption of Amendments SAFE MLO Rules

John Schroeder explained that the staff was recommending three amendments to the SAFE MLO Rules. Specifically, Mr. Schroeder explained the following amendments:

- Amend 750 IAC 9-2-2(e) to update references to federal law, amending the reference to those in effect as of December 31, 2010.
- Amend 750 IAC 9-1-1(8) to update the reference to a state law that had been amended.
- Amend sections 750 IAC 9-3-3 and 750 IAC 9-4-1 to remove "or pleaded guilty or nolo contendere to" which results in a person's conviction being the triggering event with respect to the Rule's licensing qualifications test.

Mr. Schroeder explained that the first two amendments were technical in nature, while the third amendment would provide the Members with some flexibility when

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dealing with applicants who, as a result of statutory discretion vested in judges, were not convicted of felonies with which they were charged. Mr. Schroeder noted that he had discussed the amendment with a representative from HUD and that he did not anticipate any negative reaction to the amendment from HUD. This amendment would also render the SAFE MLO Rule consistent with the MLO licensing practices in the Indiana Securities Commissioner's office. Mr. Schroeder noted that, if adopted, the amendments to the Rule would be effective upon filing.

David H. Mills moved that the first amendment be adopted, Jean L. Wojtowicz seconded the motion, and it passed unanimously

Ms. Wojtowicz moved that the second amendment be adopted, Michael W. Davis seconded the motion, and it passed unanimously.

Mark A Schroeder moved that the third amendment be adopted, Donald E. Goetz seconded the motion, and it passed unanimously.

2. Mark Tarpey, Supervisor of the Consumer Credit Division, presented an application for a Mortgage Loan Originator ("MLO") license as provided under 750 IAC 9-3-1 for Mr. Matthew Gabriel. Mr. Tarpey confirmed that the Nationwide Mortgage Licensing System shows that Mr. Gabriel completed his pre-licensure education of 20 hours as of June 12, 2010. He passed the national MLO test as of June 24, 2010 and the state MLO test as of February 21 2010. Mr. Gabriel has been employed by three different mortgage lenders/brokers since January of 2005 and is currently employed by Van Dyk Mortgage which is licensed with DFI under a first lien mortgage license (#10863) and a subordinate lien license under (#6635). Mr. Gabriel submitted negative answers to DFI state specific items to all five of the credit responsibility questions related to bankruptcy, judgments, tax liens, foreclosures, pattern of default.

The Director was unable to approve the MLO license application under his delegated authority due to Mr. Gabriel's criminal history. The Members were previously sent a packet of information that detailed Mr. Gabriel's criminal background. The Members were also sent information that Mr. Gabriel asked to be included in regards to his qualification for licensing.

After Mr. Tarpey's presentation, Mr. Mills invited Mr. Gabriel to address the Members and Mr. Gabriel did so.

Following the discussion, Motion was made by Mr. Davis and seconded by Mr. Sweeney that, subsequent to the effective date of the revised SAFE MLO Rule, the application be approved by Director Mills under delegated authority subject to the terms and conditions of a Memorandum of Understanding ("MOU") to be drafted consistent with the Members' discussion. Specifically, the MOU would, among other provisions, require

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Mr. Gabriel to immediately surrender his license if he is subsequently convicted of a felony. The motion for approval of the application was adopted unanimously.

3. Mark Tarpey, Supervisor of the Consumer Credit Division, presented an application for a Mortgage Loan Originator (MLO) license as provided under 750 IAC 9-3-1 for Mr. Matthew Kline. Mr. Tarpey confirmed that the Nationwide Mortgage Licensing System shows that Mr. Kline completed his certification of pre-licensure education of 20 hours as of December 31, 2009. He passed the national MLO test as of July 13, 2010 and the state MLO test as of February 21 2010. Mr. Kline has been employed by three different mortgage lenders/brokers since March of 2005 and is currently employed by Arbor Mortgage which is licensed with DFI under a first lien mortgage license (#11102). Mr. Kline submitted negative answers to DFI state specific items on July 7, 2010 to four of five of the credit responsibility questions related to bankruptcy, judgments, foreclosures, pattern of default. Mr. Kline satisfactorily explained an incorrect tax lien on his credit report.

The Director was unable to approve the MLO license application under his delegated authority due to Mr. Kline's pending multiple felony charges from April of 2009. Details of these charges were sent to the Members in their packet. Mr. Kline has not been convicted of the felony charges. However, the Members are required to evaluate the character and fitness of an applicant as detailed in 750 IAC 9-3-2.

The Members were previously sent a packet of information that Mr. Kline asked to be included in regards to his qualification for licensing.

Mr. Kline was given an opportunity by the Members to comment on his pending felony charges. He stated that he was hopeful the charges would be dismissed and he was dependent on his attorney for resolution of charges that have been pending since April of 2009.

A motion by Director Mills was seconded by Mr. Schroeder to table the application until such time as Mr. Kline provides sufficient additional information regarding the charges, or the charges are otherwise resolved. The motion to table consideration of the application was adopted unanimously.

E. DIRECTOR'S COMMENTS AND REQUESTS :

1. Jackson County Bank, Seymour, Jackson County, Indiana

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,

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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 intent for these properties was provided in a letter to the Department. At the bank's board meeting on July 20, 2010, the board adopted a board resolution reaffirming that the bank expects to use the five parcels of real estate for future expansion. Currently the properties are on the bank's books for \$427,408. Allowing the bank to continue to hold the real estate does not appear to endanger the safety and soundness of the financial institution. The Bank has granted an extension to hold the real estate until December 31, 2011. 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. **This was approved by action taken by the Director on December 15, 2010.**

2. Kentland Bank, Kentland, Newton County, Indiana

The bank requested approval to establish a branch banking offices to be located at 5 Executive Drive, Suite A, Lafayette, Tippecanoe County, Indiana. The bank entered into a purchase and assumption agreement dated November 19, 2010, with Bank of Indiana, N.A., Dana, Indiana to acquire this branch. This institution will have a total of 4 branches after the acquisition of the branch. **This was approved by action taken by the Director on December 15, 2010.**

3. 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:

August Mack Environmental, Inc. – Indianapolis – 77 members (common bond of occupation as defined by IC 28-7-1-10)

Environmental Field Services, Inc. – Westfield – 22 members (common bond of occupation as defined by IC 28-7-1-10). **This was approved by the Director on December 20, 2010, under delegated authority.**

4. Mortgage Loan Originator Applications:

The following 34 mortgage loan originator applications were 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 December 3, 2010, under delegate authority.**

<u>NMLS #</u>	<u>Last Name</u>	<u>First Name</u>	<u>Middle Name</u>	<u>Suffix</u>	<u>LicID #</u>
20325	Albert	Scott	Lewis		11639
198276	Ashford	Anthony	Jovan-Santino		13342

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128946	Bachmann	Peter		15300
305859	Berlier	John	Michael	15395
28184	Cadotte	David	William	12873
173344	Clark	Charles	Bradley	13723
27884	Coloma	Rosemarie	Dequina	13112
260920	Cramer	Leeanne	Marie	12298
181123	Demoisey	Shannon	Kathaleen	15384
178938	Dubois	Christine		15336
8123	Feger	Jeff		15362
129905	Finn	David	Regis	15331
321795	Gray	Amanda	Ross	15385
366460	Harden	Richard	Elliott	15348
172514	Hennemann	Kevin	Wayne	15335
6913	Leistra	Wayne	Andrew	15386
81757	Meadows	Andrew	Jon	15329
191675	Moos	Robert	C	15249
373033	Nelson	Candace	Ann	15387
177449	Palazzola	Ryan	Gerald	13264
39252	Philpot	Matthew	Aaron	15363
376443	Poor	Benjamin	Daniel	15388
13418	Raderer	Rhonda	W	15390
23336	Reed	Brian	Thomas	13208
34684	Ring	Susan	M	15391
114604	Roberts	Amanda	J	15298
321390	Sanfrey	Michael	Bernard	15299
141138	Sexton	Darrell	H	15392
354558	Smith	Mitchell	David	15240
19082	Squires	Christopher	Arthur	15322
102869	Stone	Glenda		15241
347836	Tripp	Allan	Robert	15393
13985	Van Slavens	Jerry		15394
228763	Vugmayster	Igor		13496

5. Mortgage Loan Originator Applications:

The following 84 mortgage loan originator applications were 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 December 15, 2010, under delegate authority.**

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<u>NMLS #</u>	<u>Last Name</u>	<u>First Name</u>	<u>Middle Name</u>	<u>Suffix</u>	<u>LicID #</u>
170356	Allgier	Russell	Patrick		15452
32490	Adamczak	Nicholas			15456
8628	Adams	Disadra	Vanessia		15404
265095	Adhikari	Rajendra			15407
130942	Agner	William	E		15455
4330	Ahrens	Kenneth			15454
131124	Allen	Robert	James		15453
370201	Beatty	Christopher	Allen		15244
284280	Beauregard	Nichole			14895
382963	Beck	Justin	Thomas		15451
146433	Black	Bradley			15457
233816	Bonner	James	Brent		14996
4331	Brewer	William			15450
32314	Brooks	David	Bryan		15449
375264	Brooks	Timothy	Scott		15377
88745	Bryce	Robert	Spencer		15033
14006	Caltabiano	Joseph	Stevens		15144
38743	Campagna	Steven	M		15448
130906	Cannon	Samuel	Tucker		15447
38841	Casebier	Mark	Alan		15446
135446	Coates	Lee	Ann		15371
363839	Coffman	Jeanmarie			15445
184829	Cotter-Kelley	Ann	Carley		15082
267194	Dailey	Roberta	M		15444
313548	Dicken	Larry	Glen		15369
333619	Dufor	Zshalondra	Quanette		15443
131885	Elamon	James	Edward		15441
6100	Eck	David	Henry		15442
229839	Egts	David	Alan		13651
71092	Elder	Terry	Lee		15440
370382	England	Justin	Michael		15439
27360	Farley	John			15325
130771	Fassler	Stephanie	R		15438
38764	Feehan	Michael	John		15437
301991	Gonzalez	Francisco			15090
11722	Gravatte	Michelle	Michael		15436
372884	Griffiths	Richard	Clare		15435
20309	Hanson	Jason	R		15434
37894	Hedderich	Thomas	M		15433
371628	Hetrick	Adam	Ray		15432

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367979	Higgs	Travis	Lee	15458
117105	Hrivnak	George	Allen	14670
42543	Iturriria	Antero	David	11839
33860	Jannett	Jeffrey	Paul	15431
133113	Jervis	Don	M	15430
325854	Juliano	Richard	Ralph	15429
146159	Krug	Jessica	L	13148
111304	Kirtland	Robin	Leigh	12186
246474	Kolakowski	Neil	Joseph	15342
60099	Murgatroy	Michael	Joseph	15459
48182	Mahdii	Sepideh		15428
367150	Manies	Justin	William	15460
261225	Marling	Justin	Lee	12245
202566	Mills	Ian	John	15427
288508	Millsaps	Michael	Lee	15426
9086	Murphy	Benjamin	August	15425
214294	Odell	James	Matthew	15341
376361	Partin	Michael	S.	15294
56531	Polito	Nanette	M	15424
63076	Prost	Kenneth	Edward	15423
347810	Rady	Mark	Edward	15422
256481	Rau	Coley	Ray	15421
382378	Rigby	Meredith	Jenise	15420
363913	Rooney	Dennis	Michael	15285
299788	Sherman	Jeffrey	Awid	15419
39305	Siegel	Mary	Jane	15418
42317	Simmons	Tommy	Herman	12218
365922	Skidmore	Logan	Davis	15417
21298	Smith	Damon	Daniel	12839
217419	Smith	Steven	Charles	15416
130875	Snively	Adam		15415
210362	Spartis	Alex	Philip	15414
218961	Stembel	Steven		12771
185810	Stephan	Gary	Robert	14421
247822	Thomas	Marka	Lee	15413
370307	Tucker	James	Anthony	15412
316328	Vazquez	Tayrin	Rachell	15411
347843	Verseput	Joseph	J.	15410
127743	Waggoner	Dorothy		15461
354085	Walls	Kristopher	Ray	15408

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21200	Wargo	John	Joseph	13091
349493	White	Kenneth	Allen	15163
369682	Whitfield	Roderic	Stephen	15409
23420	Yauch	Nathan	Ryan	13101

6. Mortgage Loan Originator Applications:

The following 35 mortgage loan originator applications were 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 December 21, 2010, under delegate authority.**

<u>NMLS #</u>	<u>Last Name</u>	<u>First Name</u>	<u>Middle Name</u>	<u>Suffix</u>	<u>LicID #</u>
7162	Arnold	Adrienne	Marie		14383
130465	Arnoldy	James	Brian		12751
13048	Baker	Michael	A		15504
143219	Crockett	James	Allen		15467
263770	Cunningham	Pamela	L		12313
109618	Dickover	Toni	Kay		15505
135621	Dix	James	Matthew		15515
313654	Dunn	Richard			15207
382453	Fossett	Renee	Bridgette		15506
147853	Gerth	Charles	D		15507
122311	Givens	William	L	Jr	15512
71841	Jeffries-Patrick	Mary	E		15496
13987	Knopf	Paul	A	Jr	15508
246887	Kolat	Tiffany	Marie		14808
382423	LaGuardia	Gary			15491
315175	Lewis	Michael	Benjamin		15495
320269	Montgomery	Thomas	Robert	III	15472
55437	Mosquera	John	Erick		14991
373915	Noakes	Craig	Michael		15481
153879	Panigutti	Matthew	O		14934
61857	Pittman	LeRoy	Robert		15474
322518	Polansky	Jon			15499
347802	Proefrock	Jason	J.		15509
374004	Ramesh	Kyatsandra	Rao		15475
224010	Rehmani	Shaun	Dustin		15093
5753	Schies	Michael	John		15476

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19406	Shirey	Ian	C	15479
268528	Shortridge	Richard	Earl JR	15510
356583	Smiley	Reginald	Dwayne	15477
357277	Smith	Lauren	Danielle	15511
85468	Storm	Robert	Blake	15493
367765	Useton	Boyd		15316
371623	Vasquez	David	Enrique	15317
185350	Wilson	William	David	15514
90290	Zuk	Peter	Thomas	15513

7. Mortgage Loan Originator Applications:

The following 13 mortgage loan originator applications were 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 December 28, 2010, under delegate authority.**

<u>NMLS #</u>	<u>Last Name</u>	<u>First Name</u>	<u>Middle Name</u>	<u>Suffix</u>	<u>LicID #</u>
371616	Barrera	Eddie			15545
62921	Berry	Steven	Patrick		12224
41927	Bogacki	Rick	Zenon		15570
96922	DeFeo	Kathleen			15468
23541	Ferestien	Neal	Richard		15537
9735	Flees	Jeffrey	Robert		15527
22671	Fuscaldo	Milissa			15520
23721	Fuscaldo-Luchka	Christina			15525
128854	Hoffman	Douglas	Michael		11936
130796	Hope	Tamera			13012
236040	John	Paul			15471
142349	Messina	Carolyn	Joy		15519
21563	Miller	Christine	Laura		15551

8. Mortgage Loan Originator Applications:

The following 22 mortgage loan originator applications were 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 December 30, 2010, under delegate authority.**

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<u>NMLS #</u>	<u>Last Name</u>	<u>First Name</u>	<u>Middle Name</u>	<u>Suffix</u>	<u>LicID #</u>
389591	Alberda	Timothy	Allen		15561
137615	Baldyga	Michael	Gregory		15581
39213	Bowers	Will	E		14151
369932	Conley	Michael	T		15582
111252	Dixon	A'Mon	Derrell		12282
89602	Fackler	Michael	Anthony		13457
371516	Holwill	Christopher			15554
389582	Hughes	Jean	Aileen		15562
12220	Jaynes	Mark			15564
225222	Kendall	Jayne	Courtney		15559
193056	Kerns	Daniel	Raymond		15544
177443	Lenk	Everett	Wade		13066
66854	McKendrick	Jeffrey	Donald		12222
54853	Payne	Jonathan	Michael		14604
208560	Porcena	Jonathan			14995
265178	Pyle	Denise	Ann		15578
357607	Redmaster	David	Von		15579
88528	Redoble	Christopher	Paul		15067
368617	Ritchie	Paul	Curtis		15239
373472	Rutherford	David	Scott		15553
368666	Stojancevich	Edward	Anthony		15583
56377	Tarro	Maria			15478

9. Equity Loans, LLC, applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. They were not previously licensed. Applicant is based in Atlanta, Georgia. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 6, 2010, under delegated authority.**

10. The Mortgage Network, Inc. applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. They were not previously licensed. 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 6, 2010, under delegated authority.**

11. Flagship Mortgage Corporation applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. They were not previously licensed. Applicant is based in Worthington, Ohio. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 20, 2010, under delegated authority.**

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12. J.I. Kislak Mortgage, LLC applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. They also applied for a Subordinate Lien Mortgage Lending license. Applicant is based in Miami Lakes, Florida. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 20, 2010, under delegated authority.**

13. Nations Lending Corp applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. They were not previously licensed. Applicant is based in Middleburg Heights, Ohio. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 20, 2010, under delegated authority.**

14. Premier Home Mortgage, Inc d/b/a Best Yet Mortgage, Inc applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. They were not previously licensed. Applicant is based in Rapid City, South Dakota. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 20, 2010, under delegated authority.**

15. Flagship Financial Group, LLC applied via the Nationwide Mortgage Licensing System for a First Lien Mortgage Lending license. They were not previously licensed. Applicant is based in Lehi, Utah. They will not be servicing their loans. Loans will be closed by title companies. **This was approved by the Director on December 28, 2010, under delegated authority.**

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

APPROVED:

ATTEST:

Richard J. Rice, Chairman

John J. Schroeder, Secretary