

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**August 13, 2020**

The Members of the Department of Financial Institutions virtually met at 10:00 a.m., EDT. Present from the Department were Thomas C. Fite, Director; Troy Pogue, Chief Operations Officer; Michael Fracassa, Deputy Director, Administration Division; Christopher Dietz, Deputy Director, Depository Division; Lyndsay Miller, Deputy Director, Consumer Credit Division; Nicole Buskill, General Counsel and Secretary; Kirk J. Schreiber, Senior Depository Analyst and Assistant Secretary, Depository Division; Brad Stone, IT Director; and Sharmaine Stewart, Administrative Assistant. Representing NuWave/RimTyme was John Bont.

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

- A.** Members Present: Richard J. Rice, Chairman ; Mark Schroeder, Vice Chairman; Jean L. Wojtowicz; Donald E. Goetz; Benjamin Bochnowski and Tom Fite, Director.
- B.** Date of next meeting: September 10, 2020 @ 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 June 25, 2020 meeting.

**Ms. Wojtowicz moved approval of the minutes; Mr. Schroeder seconded the motion and the motion passed unanimously.**

**D.** Election of Officers as stipulated in IC 28-11-1-8 and any other organizational matters

- 1. Election of Vice-Chairman:** Mr. Goetz moved for the nomination of Mark Schroeder as Vice-Chairman and Ms. Wojtowicz seconded the motion. There was no discussion and the motion passed unanimously.

- **Roll Call was taken after the vote.**

- 2. Election of Secretary:** Director Fite moved for the nomination of Nicole Buskill as Secretary. Ms. Wojtowicz seconded the motion. There was no discussion and the motion passed unanimously.

- **Roll Call was taken after the vote.**

- 3. Election of Assistant Secretary:** Director Fite moved for the nomination of Kirk Schreiber as Assistant Secretary. Ms. Wojtowicz seconded the motion. There was no discussion and the motion passed unanimously.

- **Roll Call was taken after the vote.**

4. **Other organizational matters:** There were no other organizational matters to be addressed.

E. **CONSUMER CREDIT DIVISION:**

1. **In the Matter of NuWave, LLC, d/b/a RimTyme Indianapolis**

General Counsel, Nicole Buskill, presented the ALJ's Recommended Order and Finding of Facts and Conclusions of Law to the Members and a proposed Final Order for the matter of NuWave, LLC d/b/a RimTyme Indianapolis. The ALJ's Recommended Order found that NuWave LLC d/b/a RimTyme did not violate I.C. § 24-7-5-11, I.C. § 24-7-8-6, or I.C. § 24-7-7-2(b). Buskill stated that while the DFI disagrees with the ALJ's recommended order and believes that the evidence supports its examination findings, it choose not to object the order and recommended that the Members approve the Final Order which adopts the ALJ's recommended order.

- **Jean Wojtowicz made a motion to approve the Final Order, and Mark Schroeder seconded the motion. All members voted unanimously in a roll call vote to approve the Final Order. On behalf of the Members, Chairman Rice executed the Final Order.**

F. **DIRECTOR'S COMMENTS AND ACTIONS:**

1. Deputy Director Michael Fracassa discussed the financial statements which were included in the Members' packets.

The Department reported a net surplus for the fiscal year ending June 30, 2020, of \$802,494 resulting in an updated fund balance of \$7,185,342.

**REVENUE**

Revenue for the fiscal year totaled \$9,774,398 an increase of \$1,832,342 (23%) from the previous fiscal year. This increase is because of the approved 5% increase in the depository assessments, the volume fee increase from \$4 to \$6 (per \$100,000 in volume) and the increase in MLO application and renewal fees from \$50 to \$100.

Total bank assessments collected increased by \$400,841 (8.8%) for a total of \$4,939,056 in FY 20. Bank assets increased by 5%, and the fee schedule increased by 5% and these two combined increases made up the difference.

Credit union annual assessments increased by \$91,087 (7.9%) for a total of 1,241,400 in FY 20. Credit union assets increased by 2.85%, and the fee schedule increased by 5% which is the reason behind the increase in revenue.

Additional depository application revenue came in from applications, exams and conversions totaling \$76,420.

Total consumer credit revenue increased by \$1,351,714 (62%) to a total of \$3,517,522. This came from the increase in volume fees, the increase in MLO renewal and application fees and Pawn Brokers coming off a 1 year fee holiday. One item of note is that JP

Morgan/Chase paid \$170,000 in volume fees for line of credit extensions, which is revenue that is not necessarily expected again in future years.

**EXPENDITURES**

Total expenditures for the year were \$8,971,904, an increase of \$446,257 (5.2%). This mostly came from increases in one-time expenses that were paid ahead and catching up with annual dues.

Salary and fringe benefits stayed almost the same as FY 19, even though it was projected to increase

- DFI had plans to hire towards the beginning of the fiscal year, but finding the best candidates took longer than expected. We had 2 examiners start on 2/10/20 and 1 more that started in June.
- We had 4 examiners resign in the middle of the fiscal year, which was not expected.

Point 2-9 expenses increased by \$457,527. As mentioned above the largest increases came from CSBS/NASCUS dues, paying state SWCAP fees (waived in FY 2019) and additional fees paid ahead of FY 21.

**FUND BALANCE**

The fund balance will increase by \$802,494 to \$7,185,342. The goal is to keep this fund balance at 50% of expenses. For FYE 20 the fund balance is now at 80.1% of expenses

**FINANCIAL PROJECTIONS FOR FY 2021**

We expect a small increase of \$99,586 (1.1%) in expenses for FY 2021 which are projected at \$9,071,490. This increase is a result of planned new hires and one-time fees.

While holding fees flat, we expect a small decrease in revenue of \$17,051 because of a loss of one-time revenues, being offset with additional depository revenues (based on asset increases).

With the expected increases in expenses and the corresponding decrease in revenue, we are projecting a surplus of \$685,857 for FY 21, leaving a healthy fund balance of \$7,871,199 at the end of the FY.

**LOOKING TO THE FUTURE**

Over the next 2 years DFI expects to hold fees steady as expenses steadily increase. Each of the next several fiscal years DFI plans to increase revenues enough to come close to break even within each fiscal year.

**FINANCIAL STATEMENTS**

The following financial information were enclosed for your information:

Minutes of Members' Meeting

August 13, 2020

Page 4

1. Income Statement FYE 2020
  2. Four year revenue/expenditure summary and projections for FYE 6/30/21
  3. FYE Division Budget for FYE 20/Projection for FYE 21
  4. Revenue and Expenses Broken Down By Division
  5. Revenue, Expense and Fund Balance and Projections for FYE 20/23
  6. Graphs for Revenue, Expense and Fund Balance FYE 20/23
  7. Bank fee revenue history since 6/30/98
  8. Credit Union fee revenue history since 6/30/2000
  9. 5- year summary of Consumer Credit Revenue
  10. History of Consumer Credit Volume Fees
2. General Counsel, Nicole Buskill, presented the Delegated Authority Order to the Members for their consideration. Buskill stated that the Delegated Authority Order had not changed from the previous year and asked the Members to adopt the Delegated Authority Order.
- Jean Wojtowicz motioned to approve the Delegated Authority Order, and Ben Bochnowski seconded the motion. All members voted unanimously in a roll call vote to approve the Delegated Authority Order. On behalf of the Members, Chairman Riek executed the Final Order.**
3. Director Fite advised the Members of actions taken pursuant to Delegated Authority since the last Member meeting.

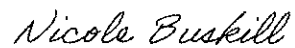
**OTHER BUSINESS:**

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

APPROVED:

  
Richard J. Rice, Chairman

ATTEST:

  
Nicole Buskill, Secretary

## DELEGATED AUTHORITY

June 24, 2020

### MONEY TRANSMITTER LICENSE APPLICATION

**Uphold HQ Inc.** applied via the Nationwide Multi-State Licensing System for a Money Transmitter license. The applicant is based in New York, New York and is currently licensed in twenty-five states and the District of Columbia. The applicant previously applied with Department in December 2015. At the time, the applicant was solely engaged in virtual currency transactions so the license was deemed unnecessary and the applicant withdrew the application. The applicant is seeking a license in Indiana to begin offering consumers stored value accounts that hold fiat currency and virtual currencies. The stored value accounts can be used to buy virtual currencies. Since the Money Transmitter license is issued only for consumer purpose fiat money transmissions, the applicant has agreed to place a statement on its website to alert consumers that the license does not cover virtual currency transmissions. The staff's review finds that the financial responsibility, character, and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 28-8 and as stipulated in IC 28-8-4-35. Applicant is recommended for approval. (LHM)

Approved by the Department of Financial Institutions of the State of Indiana



Thomas Fite, Director

**ACTION TAKEN UNDER DELEGATED AUTHORITY  
JULY 14, 2020**

**1. FIRST INTERNET BANK OF INDIANA, FISHERS, HAMILTON COUNTY, INDIANA**

The bank has applied to the Department for approval to relocate its main office from **11201 USA Parkway, Fishers, Hamilton County, Indiana** to **8701 East 116th Street, Fishers, Hamilton County, Indiana**. The application was received on June 26, 2020. The expected date to relocate is September 1, 2021. **APPROVAL IS RECOMMENDED - (KJS)**

**DEPUTY APPROVED** 

**DIRECTOR APPROVED** 

**2. STAR FINANCIAL BANK, FORT WAYNE, ALLEN COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **1000 Mulberry Street, Zionsville, Boone County, Indiana**. The application was received on June 30, 2020. The branch is to be known as the **Zionsville Office**. This will be the institution's 38th branch. **APPROVAL IS RECOMMENDED - (KJS)**

**DEPUTY APPROVED** 

**DIRECTOR APPROVED** 

**3. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The credit union has filed for approval of a proposed Amendment of 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 organization into the field of membership of the credit union:

MART, LLC – White Pigeon, Michigan – 2 members (common bond of occupation as defined by IC 28-7-1-10)

**APPROVAL IS RECOMMENDED - (KJS)**

**DEPUTY APPROVED** 

**DIRECTOR APPROVED** 

**ACTION TAKEN UNDER DELEGATED AUTHORITY**

**July 27, 2020**

1. **BATH STATE BANCORP EMPLOYEE STOCK OWNERSHIP PLAN, BATH, FRANKLIN COUNTY, INDIANA**

On June 3, 2020, the Department received an application from Bath State Bancorp Employee Stock Ownership Plan (the "Applicant") for a change of control of Bath State Bancorp, and thereby indirectly acquire control of The Bath State Bank, both of Bath, Indiana, pursuant to IC 28-1-2-23. Applicant currently owns 33,256.76 shares of common stock of Bath State Bancorp, which represents 23.22% of its outstanding shares of stock. It is expected that Applicant intends to purchase 13,000 new issue shares from Bath State Bancorp to fund the Employee Stock Ownership Plan. The Applicant will own 46,256.76 shares of common stock of Bath State Bancorp or 29.61%, after the purchase of the 13,000 new issue shares from Bath State Bancorp. **APPROVAL IS RECOMMENDED - (KJS)**

DEPUTY APPROVED *Chris D. J.*

DIRECTOR APPROVED *Thomas J. J.*