



2019 ANNUAL REPORT

**Kentucky Department of
Financial Institutions**

kfi.ky.gov

2019 Annual Report

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Supervising Kentucky's Financial Industry for 107 years.

Andy Beshear
Governor

Ray Perry
Deputy Secretary



Kerry B. Harvey
Secretary

Charles A. Vice
Commissioner

**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

Dear Governor Beshear,

As Commissioner of the Kentucky Department of Financial Institutions, I am pleased to present the 2019 Annual Report. During 2019, the DFI accomplished all of its statutory requirements and the financial services industry had a very successful year serving Kentucky residents' financial needs. This report focuses on the 2019 achievements; however, the COVID-19 pandemic has created several headwinds and challenges for the financial industry sector in 2020, which will be addressed in future Annual Reports.



The financial services industry has experienced dynamic and continual changes to meet the needs of its customers. Companies continue to offer services through diverse and innovative platforms, and an increasing number of financial transactions are performed electronically or through digital delivery channels. One of the department's primary goals is to create a business-friendly environment that promotes economic growth opportunities. However, this goal is balanced by enforcing appropriate consumer protections through conducting periodic examinations, closely monitoring consumer complaints, performing for-cause investigations, participating in consumer outreach programs, supporting the Kentucky Saves initiative, and hosting several meetings with the industry to clarify expectations.

The banking industry continues to experience consolidation, and the number of state-chartered banks declined from 120 in 2018 to 114 in 2019. Unfortunately, one community bank failed in 2019, but the institution was resolved expeditiously with no loss to depositors. The number of state-chartered credit unions remained unchanged at 22 at the end of 2019. Both the banking and credit union industries reported strong profitability and strong capital positions in 2019. The complexity of non-depository financial service providers registered or licensed in Kentucky continues to increase as consumers seek financial services from multiple sources. The Securities Division remains a leader in supervision, and several of our employees serve on national boards and regulatory working groups. The department has worked closely with local and federal prosecutors to address investor harm when identified, which resulted in \$2,287,392 in restitution to affected investors in 2019.

As this report indicates, the department achieved its mission and strategic goals last year. The department's employees are dedicated public servants who understand the critical need for a strong financial services industry in the Commonwealth of Kentucky.

Sincerely,

A handwritten signature in black ink, reading "Charles A. Vice".

Department of Financial Institutions

Commissioners 1912-2020

YEAR	COMMISSIONER	GOVERNOR
1912	Thomas J. Smith	James B. McCreary
1916	George G. Speer	Augustus O. Stanley
1920	James Lewis	Edwin P. Morrow
1924	Charles E. Marvin	William J. Fields
1928	O.S. Denny	Flem D. Samson
1930	C.S. Wilson	Flem D. Samson
1931	J.R. Dorman	Ruby Laffoon
1935	Hiram Wilhoit	A.B. Chandler
1939	Hiram Wilhoit	Keene Johnson
1943	Hillard H. Smith	Simeon S. Willis
1948	Henry H. Carter	Earle C. Clements
1951	Henry H. Carter	Lawrence W. Wetherby
1955	R.E. Glenn	Lawrence W. Wetherby
1956	S. Albert Phillips	A.B. Chandler
1958	Earle B. Combs	A.B. Chandler
1960	H.A. Rogers	Bert T. Combs
1964	H.A. Rogers	Edward T. Breathitt
1965	G.D. Beach	Edward T. Breathitt
1968	E.G. Adams	Louie B. Nunn
1971	Lenvil R. Hall	Wendell H. Ford
1971	Perry R. Miller (Acting)	Wendell H. Ford
1973	Howard T. Sallee	Wendell H. Ford
1975	John Williams Jr.	Julian M. Carroll
1980	Randall L. Attkisson	John Y. Brown Jr.
1982	Foster Pettit (Acting)	John Y. Brown Jr.
1983	Morris R. Smith	John Y. Brown Jr.
1983	Tracy Farmer (Acting)	John Y. Brown Jr.
1983	Neil Welch (Acting)	John Y. Brown Jr.
1983	Leonard B. Marshall	John Y. Brown Jr.
1984	Ballard W. Cassady Jr.	Martha Layne Collins
1986	Thomas B. Miller	Martha Layne Collins
1988	Edward B. Hatchett Jr.	Wallace G. Wilkinson
1992	Edward B. Hatchett Jr.	Brereton C. Jones
1994	Edward J. Holmes (Acting)	Brereton C. Jones
1995	J. Rick Jones (Acting)	Brereton C. Jones
1996	Larry D. Lander	Paul E. Patton
1997	Ella D. Robinson (Acting)	Paul E. Patton
1998	Arthur L. Freeman	Paul E. Patton
1999	Ella D. Robinson	Paul E. Patton
2004*	Tom B. Miller (Executive Director)	Ernie Fletcher
2005*	Cordell G. Lawrence (Exec. Director)	Ernie Fletcher
2007*	Cordell G. Lawrence (Exec. Director)	Steven L. Beshear
2008	Charles A. Vice	Steven L. Beshear
2015	Charles A. Vice	Matthew G. Bevin
2020	Charles A. Vice	Andy Beshear

Department of Financial Institutions

History

The **Banking Act of 1912** originally established Kentucky's Department of Banking. The act charged the department with enforcing laws relating to banks, trust companies, savings banks, and combined bank and trust companies doing business under Kentucky law. The first annual report listed six employees—a commissioner, a deputy, a clerk and three examiners. Initially, the department supervised 466 commercial banks, savings banks, independent trust companies, and title companies with total assets of \$110 million.

Kentucky's legislature mandated supervision of state-chartered savings (building) and loan associations in 1918 and

added state-chartered credit unions in 1922. When the agency began to oversee the state's securities industry in mid-1932, it was renamed the Department of Banking and Securities.

Over the years, other regulatory responsibilities were added, including consumer and industrial loan companies in 1946, companies that sell money orders in 1966, mortgage loan companies and brokers in 1980 and check-cashing companies in 1992. As the agency's scope increased to include other types of financial institutions, the organizational structure and name changed as well, to the current Department of Financial Institutions (DFI).

The Financial Institutions Board at its Oct., 2019 meeting. From left to right: Commissioner Charles A. Vice, Michael Wilson, Gwendolyn Collins, Public Protection Cabinet Sec. Gail Russell, Kenneth Potish, Joseph Varner, Dale Sights, David Stockton, James Rogers and Joseph Roberts.



Department of Financial Institutions

Financial Institutions Board

The **Financial Institutions Board** is a statutory body that serves in an advisory capacity to the Governor and the DFI Commissioner. The board includes representatives from all segments of Kentucky's financial industries and the public at large. DFI's Commissioner serves as chair. Kentucky Revised Statute 286.1-013 defines the board's duties.

BANKING INDUSTRY

Marshall Bradley Jr.

Louisville, KY
Old National Bank
Term expired 10/10/2019

Michael Douglas Wilson

Irvine, KY
Citizens Guaranty Bank
Term expires 10/10/2020

James Dale Sights

Henderson, KY
Field and Main Bank
Term expired 10/10/2019

CREDIT UNION INDUSTRY

Karen Conyers Harbin

Frankfort, KY
Commonwealth Credit Union
Term expires 10/10/2022

CONSUMER FINANCE INDUSTRY

David Martin Stockton

Frankfort, KY
Stockton Mortgage Corp.
Term expires 10/10/2022

SECURITIES INDUSTRY

Joseph P. Roberts

Lexington, KY
Roberts Insurance and Investments, Richmond
Term expired 10/10/2019

Gwendolyn C. Collins

Lexington, KY
Retired, Financial Consultant
Term expires 10/10/2023

James Michael Rogers

Prospect, KY
Retired, Hilliard Lyons
Term expires 10/10/2020

PUBLIC AT LARGE

Kenneth Alan Potish

Louisville, KY
Alpha Leasing Company
Term expires 10/10/2020

Michelle Diane Penque

Cold Spring, KY
Great American Insurance Company
Term expires 10/10/2021

Joseph William Varner

Bowling Green, KY
Retired, PBI Bank Vice President
Term expires 10/10/2021

DFI COMMISSIONER, CHAIR

Charles A. Vice

Department of Financial Institutions

Mission, Vision & Values

M **MISSION** The Department of Financial Institutions' mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, encouraging economic opportunities and promoting sound financial decisions through financial literacy and empowerment programs.

V **ISION**

The department will:

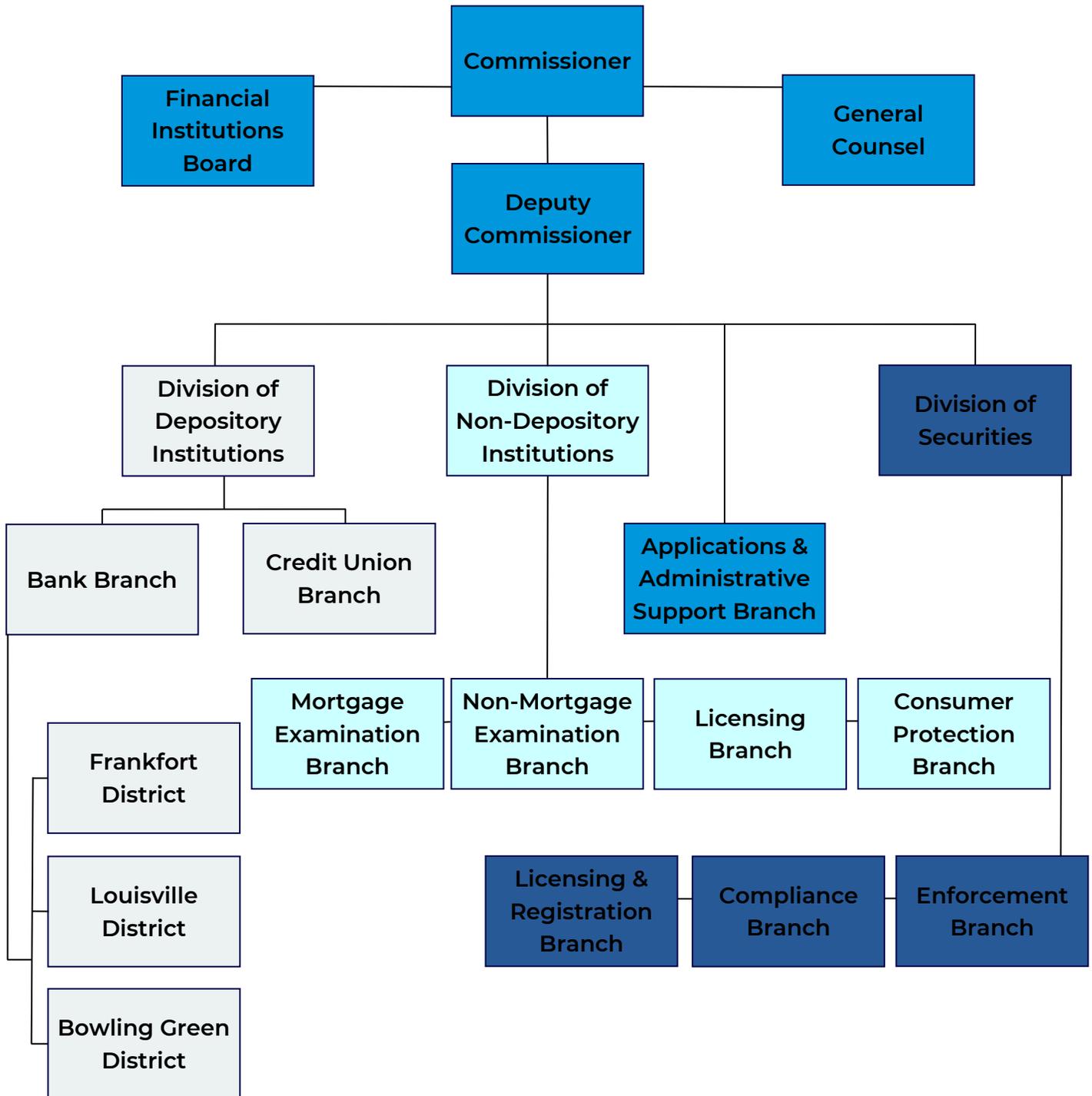
- ◆ Be a leader in developing and implementing sound public policies.
- ◆ Be an effective, proactive, credible and respected regulatory agency.
- ◆ Be a leader in educating and protecting the public.
- ◆ Encourage capital formation and economic development.
- ◆ Achieve a work environment that encourages career opportunities, professional development and equitable compensation.
- ◆ Be responsive to emerging industry trends and issues, and implement appropriate strategies.

V **ALUES**

- ◆ **Effective and Efficient Operation:** We will wisely use the resources entrusted to us by the Commonwealth.
- ◆ **Responsibility:** We accept the serious nature of the duties entrusted to us, and we are willing to be held accountable for the actions we choose.
- ◆ **Professionalism:** We will provide quality services, which will be achieved through excellence, accountability, innovation and a highly skilled workforce.
- ◆ **Integrity:** We will act honestly, fairly and impartially.
- ◆ **Teamwork:** We will achieve organizational goals through open, responsive communication and cooperation with co-workers, other state government agencies and federal regulatory authorities.
- ◆ **Respect:** We will be sensitive to the viewpoints and efforts of others, and we will strive to meet the needs of all of our stakeholders.

Department of Financial Institutions

Organizational Structure



Department of Financial Institutions

Application & Administrative Support Branch

Employees in the **Application and Administrative Support Branch** provide application development and administrative support to the department in the following areas: facilities management (Frankfort and district offices), fiscal management, operations and quality control, safety officer, budgeting, revenue and expenditure analysis, and personnel. The branch provides the tools necessary for the department to meet its mission. This includes recruiting new staff and retaining qualified employees to provide appropriate supervision of the financial services industry and consumer protections. Consumers and industry representatives who want to speak with a member of the agency’s staff may call 800-223-2579 toll free with their questions and concerns. Information for consumers, regulated industries and the public is available online at <http://kfi.ky.gov>. Business hours are 8 a.m. to 5 p.m. Eastern Standard Time. The DFI office is located at 500 Mero Street, 2SW19, Frankfort, KY 40601.

Public Outreach Programs

DFI’s **consumer outreach program** has educated hundreds of Kentuckians about financial management and fraud protection. The department offers resources for students and teachers, along with information and programs for adults. In 2019, DFI participated in a variety of events, including “Kentucky Saves Week,” “Teach Children to Save Day,” a regional “Senior Scam Jam” in Northern Kentucky and much more.



Student contest winners honored during Kentucky Saves Day at the State Capitol, along with Public Protection Cabinet Sec. Gail Russell and State Treasurer Allison Ball.

Division of Depository Institutions

Supervised in 2019:

- ◆ **114 state-chartered banks**, with assets from \$21.3 million to \$5.6 billion.
- ◆ **22 state-chartered credit unions**, with assets from \$685,000 to \$1.4 billion.

Department of Financial Institutions

Division of Depository Institutions

The DFI's **Division of Depository Institutions** consists of two branches: the Bank Branch and the Credit Union Branch. The division has two branch managers and three district managers, who supervise examiners tasked with monitoring and evaluating the safety and soundness of state-chartered banks, credit unions and independent trust companies. In 2019, the Division of Depository Institutions conducted 65 onsite examinations and seven visitations of its chartered entities. In addition, the division conducts routine off-site monitoring to identify risks in a timely manner. The division's staff members are committed to protecting Kentuckians' financial interests, along with the safety and soundness of Kentucky-chartered financial institutions.

107th Annual Banking Report

The **Bank Branch** supervised 114 Kentucky banks as of the end of 2019. Merger and acquisition activity continued at a steady pace, with five Kentucky bank merger transactions during the year. The department experienced its first bank failure in more than 30 years; however, the majority of the failed institution's assets and liabilities were acquired by another state-chartered bank. Furthermore, the reduction of six charters in 2019 did not result in an overall decline in total assets. Assets held by Kentucky banks grew 2.75% during 2019. These Kentucky banks maintained strong financial metrics, despite a competitive rate environment.

Assets held by Kentucky banks grew 2.75% during 2019. These banks maintained strong financial metrics, despite a competitive rate environment.

Higher yields on earning assets were offset by increases in funding costs, leading to a five basis point decline in the net interest margin for Kentucky banks. Compared to surrounding states, Kentucky banks reported the highest average net interest margin, at 3.82%. Stable noninterest expense levels and a slight increase in noninterest income contributed to a three basis point improvement in the return on average assets to 1.28% at the year's end. Banks of all sizes recognized similar increases in earnings, and the percentage of profitable institutions is at a three-year high. Kentucky banks improved earnings while providing a return to shareholders in excess of 11% and maintaining the highest tier 1 capital levels compared to surrounding states.

Division of Depository Institutions

State-Chartered Banks

BANK PERFORMANCE COMPARISON (As of 12/31/2019)				
State	Number of Banks	Return on Average Assets	Net Interest Margin	Tier 1 Capital Level
Kentucky	114	1.28	3.82	11.26
Illinois	276	1.14	2.63	9.23
Indiana	72	1.36	3.57	10.29
Missouri	228	1.41	3.57	10.09
Ohio	96	1.33	3.79	10.97
Tennessee	122	1.28	3.62	10.24
Virginia	51	1.18	3.68	11.01
West Virginia	41	1.23	3.72	10.95
National	3,731	1.25	3.49	10.60

BANK CHANGES		
Date	City	Bank
4/12/2019	Prestonsburg	First Commonwealth Bank of Prestonsburg Inc. Merged with and into Peoples Bank, Marietta, OH
4/30/2019	Chaplin	King Southern Bank Merged with and into Stock Yards Bank, Louisville, KY
7/01/2019	Bowling Green	Citizens First Bank Merged with and into German American Bank, Jasper, IN
7/27/2019	Hopkinsville	Heritage Bank, USA Inc. Merged with and into First Financial Bank, National Association, Terre Haute, IN
9/27/2019	Central City	First State Bank Inc. Merged with and into Farmers Bank, Marion, KY
10/25/2019	Louisa	Louisa Community Bank, Louisa, KY Bank failure. Acquired by Kentucky Farmers Bank, Catlettsburg, KY, through FDIC-assisted transaction.

State-Chartered Banks

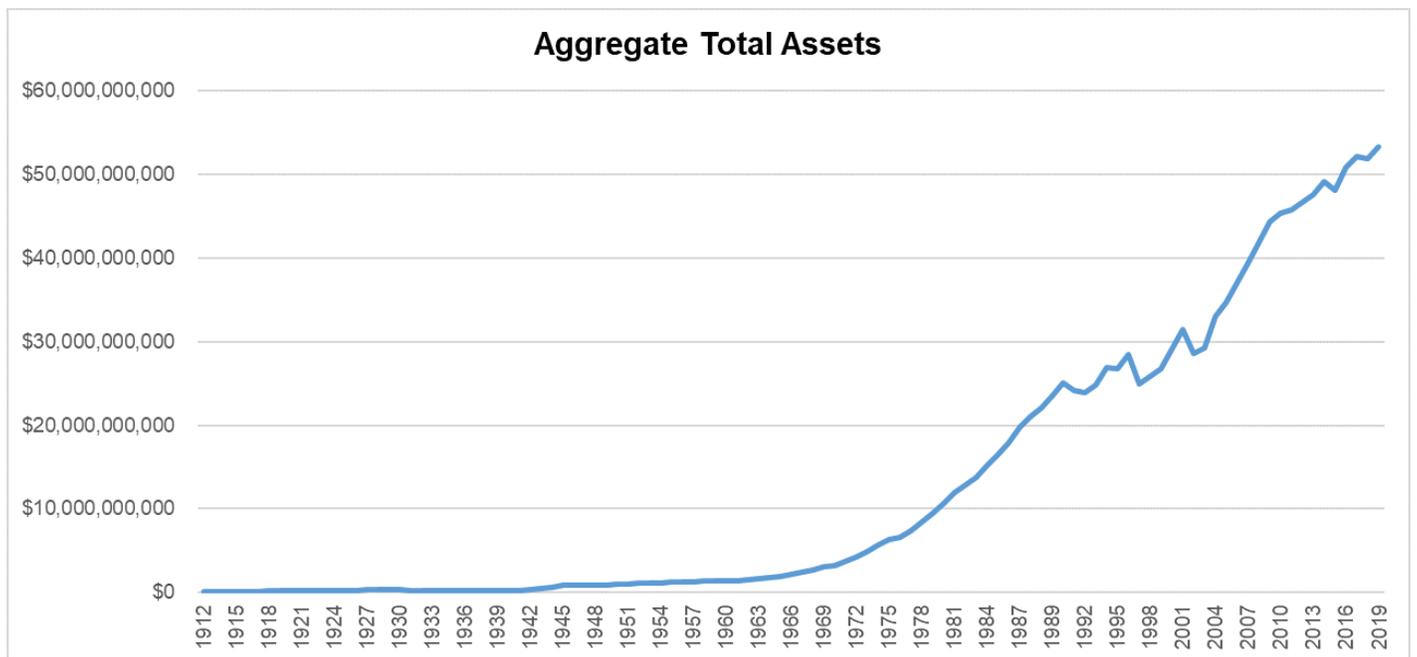
Consolidated Condition & Income Data

KENTUCKY BANK RATIOS (Dollar figures in millions)		
	Dec. 31, 2019	Dec. 31, 2018
Number of institutions reporting	114	120
Total employees (full-time equivalent)	11,480	11,583
AGGREGATE CONDITION AND INCOME DATA		
Net income (year-to-date)	\$661	\$634
Total assets	\$53,295	\$51,870
Earning assets	\$49,728	\$48,280
Total loans and leases	\$37,932	\$37,160
Other real estate owned	\$79	\$88
Total deposits	\$42,881	\$41,701
Equity capital	\$6,211	\$5,890
PERFORMANCE RATIOS (YTD, %)		
Yield on earning assets	4.73	4.55
Cost of funding earning assets	0.91	0.68
Net interest margin	3.82	3.87
Noninterest income to average earning assets	1.14	1.09
Noninterest expense to average earning assets	3.23	3.24
Net charge-offs to loans and leases	0.18	0.20
Credit-loss provision to net charge-offs	113.38	109.57
Net operating income to average assets	1.27	1.25
Retained earnings to average equity	6.04	5.97
Pre-tax return on assets	1.47	1.44
Return on assets	1.28	1.25
Return on equity	11.03	11.15
Percent of unprofitable institutions	2.63	3.33
Percent of institutions with earning gains	66.67	71.67

State-Chartered Banks

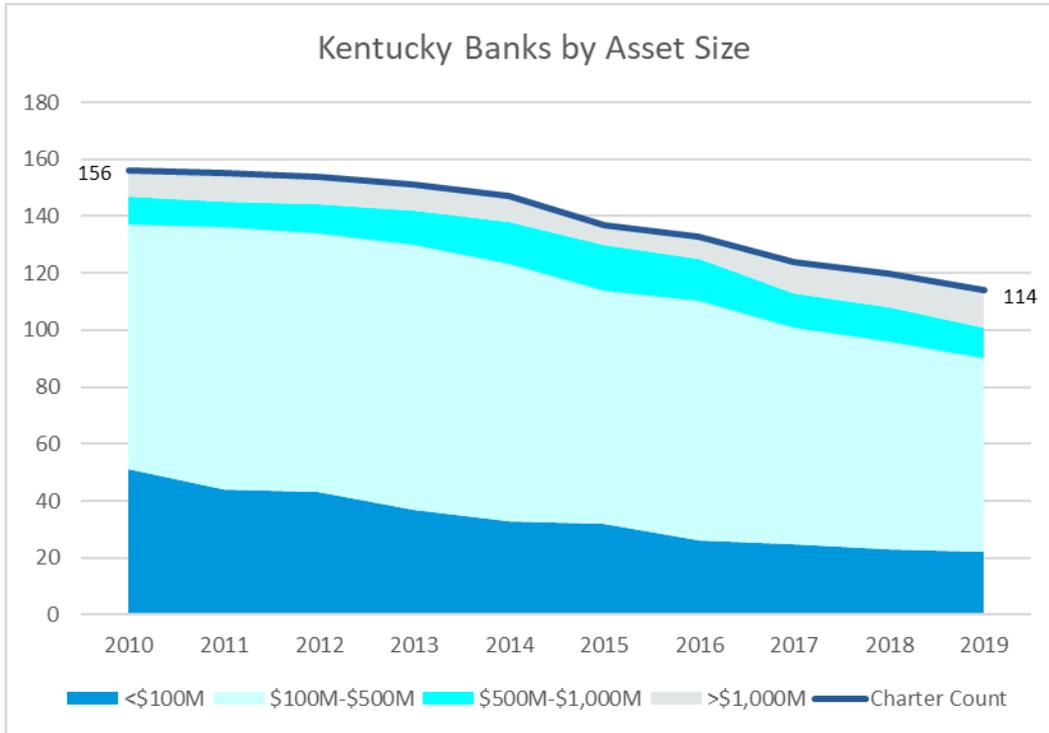
Consolidated Condition & Assets

KENTUCKY BANK RATIOS (continued)		
	Dec. 31, 2019	Dec. 31, 2018
CONDITION RATIOS (%)		
Net loans and leases to assets	70.41	70.83
Loss allowance to:		
Loans and leases	1.1	1.13
Noncurrent loans and leases	141.22	157.58
Noncurrent loans and leases to total loans and leases	0.78	0.72
Nonperforming assets to assets	0.71	0.69
Core deposits to total liabilities	76.24	76.55
Equity capital to total assets	11.66	11.35
Core capital (leverage) ratio	11.26	11.27
Total capital to risk-weighted assets	15.73	15.75
Gross 1-4 family mortgages to gross assets	22.35	23.27
Gross real estate assets to gross assets	62.4	62.73



State-Chartered Banks

Total Assets



State-Chartered Banks

Total Assets

KENTUCKY BANK ASSETS		
Institution Name	City	Total Assets (in millions)
Peoples Bank and Trust Company of Clinton County	Albany	\$41,504
Citizens Deposit Bank of Arlington Inc.	Arlington	\$236,412
Auburn Banking Company	Auburn	\$84,493
Town & Country Bank and Trust Company	Bardstown	\$311,167
Wilson & Muir Bank & Trust Company	Bardstown	\$564,599
Bedford Loan & Deposit Bank	Bedford	\$95,873
Community Financial Services Bank	Benton	\$1,238,376
Peoples Bank and Trust Company of Madison County	Berea	\$404,316
Farmers State Bank	Booneville	\$50,103
American Bank & Trust Company Inc.	Bowling Green	\$36,372
Meade County Bank	Brandenburg	\$212,081
Bank of Edmonson County	Brownsville	\$217,381
Bank of Buffalo	Buffalo	\$72,885
Citizens Bank of Cumberland County Inc.	Burkesville	\$75,992
Bank of Cadiz and Trust Company	Cadiz	\$114,282
United Citizens Bank & Trust Company	Campbellsburg	\$111,825
Citizens Bank & Trust Company	Campbellsville	\$228,464
Taylor County Bank	Campbellsville	\$177,516
Farmers & Traders Bank of Campton	Campton	\$46,761
Kentucky Farmers Bank Corporation	Catlettsburg	\$208,050
The Cecilian Bank	Cecilia	\$935,868
Bank of Clarkson	Clarkson	\$121,448
Clinton Bank	Clinton	\$64,571
First Community Bank of the Heartland Inc.	Clinton	\$262,553
Bank of Columbia	Columbia	\$148,828
United Citizens Bank of Southern Kentucky	Columbia	\$173,738
Hometown Bank of Corbin Inc.	Corbin	\$178,625
Dixon Bank	Dixon	\$83,354
Elkton Bank & Trust Company	Elkton	\$143,685
Heritage Bank Inc.	Erlanger	\$975,651

State-Chartered Banks

Total Assets

KENTUCKY BANK ASSETS (continued)		
Institution Name	City	Total Assets (in millions)
Peoples Bank of Kentucky Inc.	Flemingsburg	\$324,489
The Bankers' Bank of Kentucky Inc.	Frankfort	\$176,760
Franklin Bank & Trust Company	Franklin	\$551,535
Fredonia Valley Bank	Fredonia	\$84,472
Edmonton State Bank	Glasgow	\$546,125
South Central Bank Inc.	Glasgow	\$1,275,110
The Commercial Bank of Grayson	Grayson	\$178,804
Commonwealth Community Bank Inc.	Hartford	\$144,132
Hancock Bank & Trust Company	Hawesville	\$288,916
1st Trust Bank Inc.	Hazard	\$268,796
Peoples Bank & Trust Company of Hazard	Hazard	\$236,810
Field & Main Bank	Henderson	\$471,940
The Citizens Bank	Hickman	\$144,160
Bank of Hindman	Hindman	\$212,658
Planters Bank Inc.	Hopkinsville	\$1,163,031
United Southern Bank	Hopkinsville	\$219,336
Hyden Citizens Bank	Hyden	\$123,532
Inez Deposit Bank	Inez	\$142,136
First State Bank	Irvington	\$208,507
Citizens Bank & Trust Co. of Jackson	Jackson	\$144,781
Bank of Jamestown	Jamestown	\$205,104
Century Bank of Kentucky Inc.	Lawrenceburg	\$138,425
Peoples Bank	Lebanon	\$64,566
Lewisburg Banking Company	Lewisburg	\$137,568
Bank of Lexington Inc.	Lexington	\$248,225
Bank of the Bluegrass and Trust Company	Lexington	\$265,981
Central Bank & Trust Company	Lexington	\$2,762,148
Whitaker Bank	Lexington	\$1,155,026
The Casey County Bank Inc.	Liberty	\$196,894
Commonwealth Bank and Trust Company	Louisville	\$1,122,128

State-Chartered Banks

Total Assets

KENTUCKY BANK ASSETS (continued)		
Institution Name	City	Total Assets (in millions)
Eclipse Bank Inc.	Louisville	\$176,615
Limestone Bank Inc.	Louisville	\$1,239,472
Metro Bank	Louisville	\$26,311
Republic Bank & Trust Company	Louisville	\$5,611,084
River City Bank Inc.	Louisville	\$310,425
Stock Yards Bank & Trust Company	Louisville	\$3,720,038
First United Bank and Trust Company	Madisonville	\$339,629
Magnolia Bank	Magnolia	\$313,272
Farmers Bank and Trust Company	Marion	\$374,295
The Peoples Bank	Marion	\$73,759
First Kentucky Bank Inc.	Mayfield	\$454,774
FNB Bank Inc.	Mayfield	\$516,631
Bank of Maysville	Maysville	\$129,418
Security Bank and Trust Co.	Maysville	\$52,685
Jackson County Bank	McKee	\$137,071
First State Bank of the Southeast Inc.	Middlesboro	\$354,165
Home Federal Bank Corporation	Middlesboro	\$389,907
The Farmers Bank of Milton	Milton	\$259,604
The Citizens Bank	Morehead	\$149,562
United Community Bank of West Kentucky Inc.	Morganfield	\$272,868
Morgantown Bank & Trust Company Inc.	Morgantown	\$207,027
Traditional Bank Inc.	Mount Sterling	\$1,663,066
Citizens Bank	Mount Vernon	\$144,269
The Peoples Bank	Mount Washington	\$85,717
Hart County Bank and Trust Company	Munfordville	\$27,293
The Murray Bank	Murray	\$313,791

State-Chartered Banks

Total Assets

KENTUCKY BANK ASSETS (continued)		
Institution Name	City	Total Assets (in millions)
The Farmers Bank	Nicholasville	\$162,500
Independence Bank of Kentucky	Owensboro	\$2,596,482
Peoples Bank & Trust Company	Owenton	\$52,541
Owingsville Banking Company	Owingsville	\$70,057
The Paducah Bank and Trust Company	Paducah	\$714,959
Citizens Bank of Kentucky Inc.	Paintsville	\$656,120
Kentucky Bank	Paris	\$1,107,663
Community Trust Bank Inc.	Pikeville	\$4,344,716
Farmers Bank and Trust Company	Princeton	\$137,050
West Point Bank	Radcliff	\$284,901
Citizens Guaranty Bank	Richmond	\$197,606
First & Peoples Bank and Trust Company	Russell	\$205,927
The Sacramento Deposit Bank	Sacramento	\$110,922
The Salyersville National Bank	Salyersville	\$110,515
Sebree Deposit Bank	Sebree	\$21,327
Citizens Union Bank of Shelbyville	Shelbyville	\$855,175
Cumberland Security Bank Inc.	Somerset	\$215,876
First & Farmers National Bank Inc.	Somerset	\$521,867
Springfield State Bank	Springfield	\$326,568
PBK Bank Inc.	Stanford	\$118,641
The Peoples Bank	Taylorsville	\$109,817
Citizens Deposit Bank & Trust	Vanceburg	\$552,890
Pinnacle Bank Inc.	Vanceburg	\$51,247
Citizens Commerce Bank	Versailles	\$265,675
Bank of the Mountains Inc.	West Liberty	\$71,705
Commercial Bank	West Liberty	\$155,989
United Cumberland Bank	Whitley City	\$297,555
Peoples Exchange Bank	Winchester	\$416,824
	Total	\$53,294,731

State-Chartered Banks

Trust Assets

TRUST ASSETS IN KENTUCKY BANKS		
Institution Name	City	Total Assets (in millions)
Town & Country Bank and Trust Company	Bardstown	\$300,907
Wilson & Muir Bank & Trust Company	Bardstown	\$191
Community Financial Services Bank	Benton	\$96
Bank of Cadiz and Trust Company	Cadiz	\$9,674
Kentucky Farmers Bank Corporation	Catlettsburg	\$143,940
Clinton Bank	Clinton	\$1,732
Elkton Bank & Trust Company	Elkton	\$8,220
Peoples Bank & Trust Company	Owenton	\$336
Franklin Bank & Trust Company	Franklin	\$187,537
Commonwealth Community Bank Inc.	Hartford	\$16,248
Hancock Bank & Trust Company	Hawesville	\$2,562
Peoples Bank & Trust Company of Hazard	Hazard	\$65,715
Field & Main Bank	Henderson	\$428,819
The Citizens Bank	Hickman	\$8,064
Planters Bank Inc.	Hopkinsville	\$183,115
Citizens Bank & Trust Co. of Jackson	Jackson	\$8,401
Bank of the Bluegrass and Trust Company	Lexington	\$281,767
Central Bank & Trust Company	Lexington	\$1,657,336
Whitaker Bank	Lexington	\$605,138
Commonwealth Bank and Trust Company	Louisville	\$1,968,235
Stock Yards Bank & Trust Company	Louisville	\$3,237,962
First United Bank and Trust Company	Madisonville	\$34,955
Bank of Maysville	Maysville	\$25,180
United Community Bank of West Kentucky Inc.	Morganfield	\$9,522
Morgantown Bank & Trust Company Inc.	Morgantown	\$4,517
Hart County Bank and Trust Company	Munfordville	\$2,039
Independence Bank of Kentucky	Owensboro	\$665,646
Peoples Bank & Trust Company	Owenton	\$336
The Paducah Bank and Trust Company	Paducah	\$292,367

Department of Financial Institutions

Division of Depository Institutions

84th Annual Credit Union Report

The Credit Union Branch supervised 22 credit unions, which had aggregate assets of more than \$4.5 billion at year-end 2019. Throughout the year, these Kentucky credit unions maintained strong financial performance while collectively growing their balance sheets. Kentucky credit union assets have grown 25% since 2015, with assets increasing by nearly 8% in 2019 alone. Shares and deposits have increased by 24% since 2015, including a 9.5% increase in 2019. Expanding loan and investment portfolios generated the asset growth, while higher average share balances combined with positive membership growth led to increased shares and deposits.

Earnings remained relatively stable during 2019, with the return on average assets and net interest margin each increasing by two basis points, to 0.82% and 3.37%, respectively. Rising market rates produced higher loan and investment yields, which were offset by increases in dividend and share rates. Operating expenses, measured as a percentage of average assets, have increased over the past four years. Declining provision expenses have offset the increase in operating expenses and are supported by improved asset quality trends as loan delinquency and charge-off levels are at four-year lows. Net worth remained strong, at 12.43% of total assets as of year-end 2019, despite an eight-basis-point decline compared to the previous year.

CREDIT UNION PERFORMANCE COMPARISON (As of 12/31/2019)				
State	No. of State-Chartered Credit Unions	Return on Average Assets	Net Interest Margin	Net Worth to Total Assets
Kentucky	22	0.82	3.37	12.43
Illinois	169	0.62	2.79	10.47
Indiana	25	0.81	2.94	11.21
Missouri	97	0.82	3.15	10.85
Ohio	69	1.00	2.97	11.38
Tennessee	79	1.10	3.10	12.81
Virginia	27	0.81	3.42	11.34
West Virginia	3	1.33	3.40	15.42
National	1,953	0.92	3.06	11.24

State-Chartered Credit Unions

Consolidated Condition & Income Data

CREDIT UNION CHANGES		
Date	City	Credit Union
September 2019	Frankfort	Kentucky Employees Credit Union Changed its name to Expree Credit Union

KENTUCKY CREDIT UNION CONDITION, INCOME & PERFORMANCE DATA		
	Dec. 31, 2019	Dec. 31, 2018
Number of Institutions Reporting	22	22
AGGREGATE CONDITION AND INCOME DATA (in thousands)		
Loans	\$3,175,382	\$2,977,858
Assets	\$4,533,644	\$4,200,593
Liabilities	\$3,995,904	\$178,484
Shares and Deposits	\$3,861,450	\$3,524,161
Equity	\$537,740	\$497,948
Net Income	\$35,793	\$33,102
PERFORMANCE RATIOS AND AVERAGES		
CAPITAL ADEQUACY		
Net Worth/Total Assets	12.43	12.51
Total Delinquent Loans/Net Worth	3.80	4.01
Solvency Evaluation (Estimated)	113.98	114.13
Classified Assets (Estimated)/Net Worth	3.91	4.17
ASSET QUALITY		
Delinquent Loans/Total Loans	0.67	0.71
Net Charge-Offs/Average Loans	0.53	0.58
Held-to-Maturity Investment Fair Value/Book Value	100.10	98.92
Accumulated Unrealized Gain/Loss on Available-for-Sale Investments / Cost of Available-for-Sale Investments	-0.10	-1.48
Delinquent Loans/Assets	0.47	0.50

State-Chartered Credit Unions

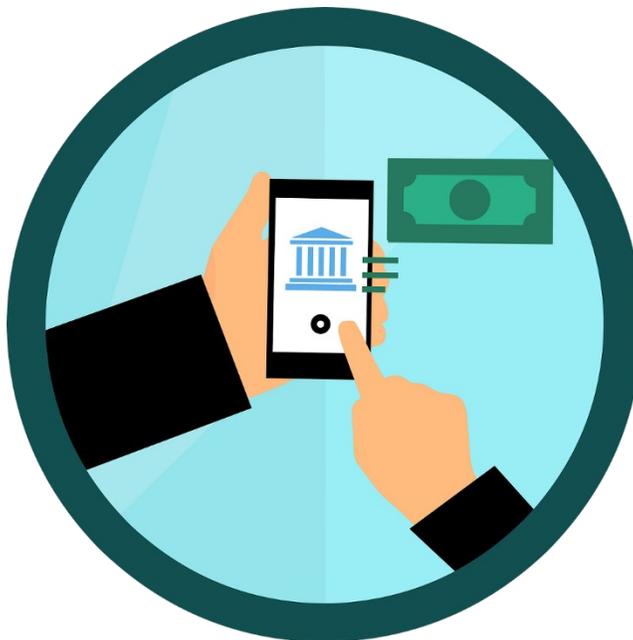
Consolidated Condition & Income Data

KENTUCKY CREDIT UNION CONDITION, INCOME & PERFORMANCE DATA (continued)		
	Dec. 31, 2019	Dec. 31, 2018
PERFORMANCE RATIOS AND AVERAGES		
<i>Earnings</i>		
Return On Average Assets	0.82	0.80
Gross Income/Average Assets	5.76	5.54
Yield on Average Loans	5.22	5.04
Yield on Average Investments	2.14	1.84
Fee & Other Operating Income/Average Assets	1.58	1.60
Cost of Funds/Average Assets	0.82	0.59
Net Margin/Average Assets	4.94	4.94
Operating Expense/Average Assets	3.78	3.73
Provision For Loan & Lease Losses/Average Assets	0.38	0.41
Net Interest Margin/Average Assets	3.37	3.35
Operating Expense/Gross Income	65.53	67.28
Fixed Assets & Foreclosed & Repossessed Assets/ Total Assets	2.71	2.62
Net Operating Expense/Average Assets	3.00	2.79
<i>Asset/Liability Management</i>		
Net Long-Term Assets/Total Assets	27.87	28.62
Regular Shares/Total Shares & Borrowings	42.00	44.16
Total Loans/Total Shares	82.23	84.50
Total Loans/Total Assets	70.04	70.89
Cash + Short-Term Investments/Assets	16.45	13.83
Total Shares, Deposits & Borrowings/Earning Assets	93.46	93.03
Reg Shares + Share Drafts/Total Shares & Borrowings	54.06	56.57
Borrowings/Total Shares & Net Worth	1.77	3.14

State-Chartered Credit Unions

Consolidated Condition & Income Data

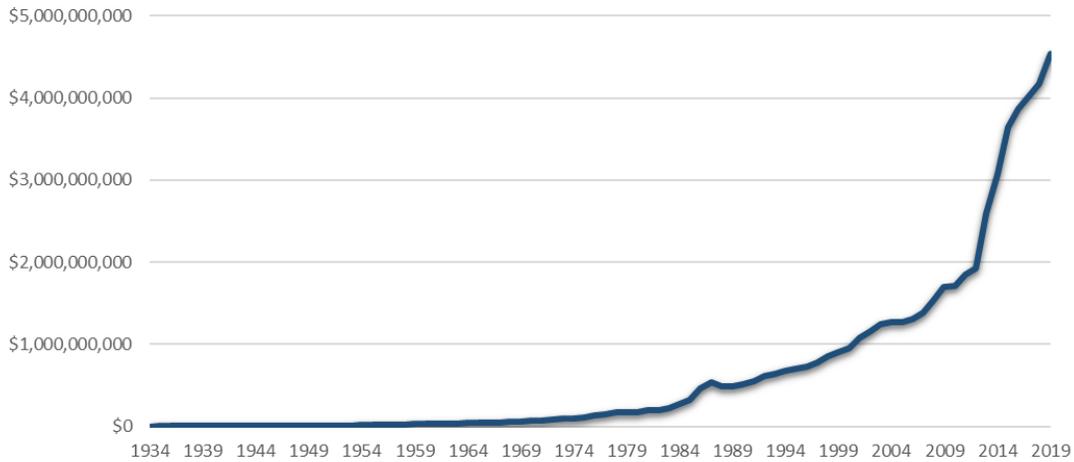
KENTUCKY CREDIT UNION CONDITION, INCOME & PERFORMANCE DATA (continued)		
	Dec. 31, 2019	Dec. 31, 2018
PERFORMANCE RATIOS AND AVERAGES		
<i>Productivity</i>		
Members/Potential Members	2.69	2.64
Borrowers/Members	55.08	54.67
Members/Full-Time Employees	397.73	401.72
Average Shares Per Member	\$8,735	\$8,082
Average Loan Balance	\$13,040	\$12,490
Salary And Benefits/Full-Time Employees	\$75,264	\$71,755
<i>Growth Ratios</i>		
Net Worth Growth	7.22	7.29
Market (Share) Growth	9.57	4.12
Loan Growth	6.63	7.94
Asset Growth	7.93	3.98
Investment Growth	9.82	-3.97
Membership Growth	1.38	2.13



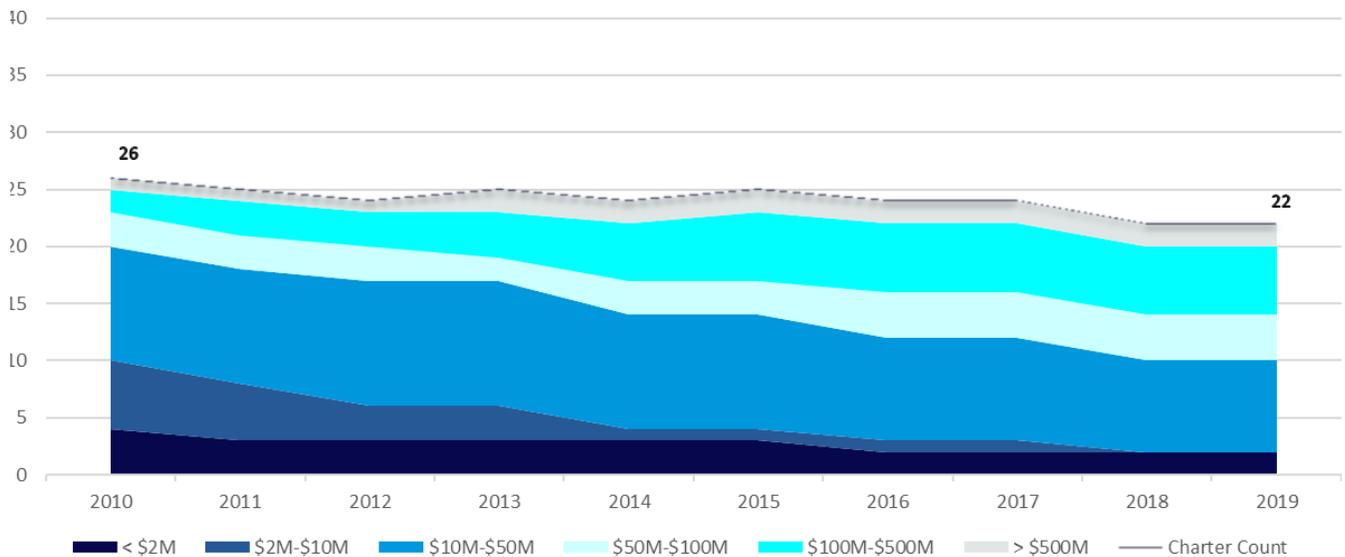
State-Chartered Credit Unions

Total Assets

Aggregate Total Assets



Kentucky Credit Unions by Asset Size



State-Chartered Credit Unions

Total Assets

KENTUCKY CREDIT UNION ASSETS			
Credit Union Name	Year Established	City	Total Assets (in thousands)
Ashland	1942	Ashland	\$273,530
Members Choice	1932	Ashland	\$222,302
Service One	1963	Bowling Green	\$175,969
C&O United	1928	Edgewood	\$17,267
Commonwealth	1951	Frankfort	\$1,388,018
Expree	1938	Frankfort	\$81,243
Muhlenberg Community Hospital	1961	Greenville	\$685
Greater Kentucky	1953	Lexington	\$87,783
Lexington Postal Community	1928	Lexington	\$21,890
Members Heritage	1960	Lexington	\$387,236
Metro Employees	1940	Lexington	\$33,029
Autotruck Financial	1965	Louisville	\$158,458
Beacon Community	1947	Louisville	\$64,253
Brown-Forman Employees	1936	Louisville	\$11,639
KEMBA Louisville	1934	Louisville	\$52,908
Louisville Federal	1924	Louisville	\$32,277
Louisville Gas and Electric Company	1934	Louisville	\$40,636
Park Community	1955	Louisville	\$975,232
Rural Cooperatives	1964	Louisville	\$35,803
Transcend	1960	Louisville	\$445,359
Letcher County Teachers	1964	Whitesburg	\$1,031
Whitesville Community	1962	Whitesville	\$27,095
TOTAL			\$4,533,644

Division of Non-Depository Institutions

Supervised in 2019:

- ◆ **7,197** loan originators
- ◆ **1,533** mortgage companies/brokers
- ◆ **400** check cashers/deferred deposit companies
- ◆ **362** consumer loan companies
- ◆ **124** money transmitters
- ◆ **1** industrial loan company

Department of Financial Institutions

Division of Non-Depository Institutions

The DFI's **Division of Non-Depository Institutions** consists of four branches: Licensing, Consumer Protection, Mortgage Examination and Non-Mortgage Examination. The division has four branch managers, who supervise examiners, investigators, licensing staff and an administrative specialist who supports the division.

The Division of Non-Depository Institutions is committed to maintaining a well-trained staff. DFI monitors the continual evolution of products and services as well as changes in laws. The division also provides educational materials and outreach to protect consumers from financial fraud.

7th Annual Non-Depository Licensing Report

The **Licensing Branch** is responsible for licensing non-bank financial institutions, including mortgage loan companies, mortgage brokers, consumer loan companies, industrial loan companies, check cashers, deferred deposit companies and money transmitters. The Licensing Branch also registers mortgage loan originators. In 2017, DFI licensed its first limited check casher pursuant to a new tier of license permitted by modifications to 808 KAR 9:050.

NUMBER OF LICENSES		
	Dec. 31, 2019	Dec. 31, 2018
License Type		
Mortgage Companies*	1,392	1,491
Mortgage Brokers*	141	127
Check Cashers/Deferred Deposit Companies	400	446
Limited Check Cashers	5	4
Consumer Loan Companies	362	381
Industrial Loan Companies	1	1
Money Transmitters	124	113
Total	2,425	2,563
NO. OF REGISTRATIONS		
Registration Type		
Loan Originators	7,197	7,414
Total	7,197	7,414

* Includes companies and branches.

Division of Non-Depository Institutions

Examination Branch Reports

7th Annual Mortgage Examination Report

The **Mortgage Examination Branch** is responsible for the examination and oversight of state-licensed mortgage loan companies, mortgage loan brokers and mortgage loan originators. Staff members conduct independent compliance examinations as well as multistate examinations of companies licensed in the Commonwealth to ensure they conduct business in accordance with applicable state and federal laws. While each branch is licensed individually, the examiners review the mortgage company or broker and all its branches at the same time for greater coverage with fewer examinations.

	NUMBER OF EXAMINATIONS	
	Dec. 31, 2019	Dec. 31, 2018
Examination Type		
Mortgage Companies	88	106
Mortgage Brokers	30	36
Total	118	142

7th Annual Non-Mortgage Examination Report

The **Non-Mortgage Examination Branch** is responsible for the examination and oversight of state-licensed check cashers, deferred deposit companies, consumer loan companies, industrial loan companies and money transmitters. The staff conducts independent examinations of companies licensed in Kentucky to ensure they conduct business in accordance with state and federal laws. Money transmitter examinations are usually conducted as part of a multistate examination process.

	NUMBER OF EXAMINATIONS	
	Dec. 31, 2019	Dec. 31, 2018
Examination Type		
Check Cashers/Deferred Deposit Companies	424	445
Limited Check Cashers	5	---
Consumer Loan Companies	241*	393
Industrial Loan Companies	1	0
Money Transmitters	21	20
Total	692	858

* Consumer loan companies are no longer examined annually.

Division of Non-Depository Institutions

Consumer Loan Companies

CONSOLIDATED REPORT OF CONDITION	
	Dec. 31, 2019
Number of Licensed Consumer Loan Companies	362
Kentucky Consumer Loans Secured by Residential Real Estate Less than \$15,000	\$24,375,940
ASSETS	
Cash and Due from Depositor Institutions	\$1,687,481,048
Total KY Loans Receivable, Net of Unearned Interest and Reserves	\$841,099,075
Premises and Fixed Assets (Net of Depreciation)	\$308,472,141
Deferred Charges and Prepaid Expenses	\$223,013,912
Other Assets Used in Consumer Loan Business	\$5,813,450,586
Total Assets Used in Consumer Loan Business	\$8,873,516,762
LIABILITIES & CAPITAL	
Total Liabilities (Total liabilities minus all other assets)	\$2,042,570,720
Total Capital	\$6,830,946,042
Total Liabilities & Capital	\$8,873,516,762



Division of Non-Depository Institutions

Consumer Protection Branch Report

11th Annual Consumer Protection Report

The **Consumer Protection Branch** investigates complaints and suspicious activity related to non-depository institutions. The investigators identify, examine and recommend actions against those companies and individuals who exhibit unethical behavior, perpetrate financial crimes against Kentucky citizens, or who otherwise violate state law. Complaints against unlicensed lenders and others not regulated by DFI are a large portion of the complaints the Consumer Protection Branch receives. In addition, the branch is responsible for enhancing public protection and consumer education through outreach programs.

NUMBER OF COMPLAINTS		
	Dec. 31, 2019	Dec. 31, 2018
Non-Depository License Type		
Mortgage Companies/Brokers	43	38
Check Cashers/Deferred Deposit Companies (licensed)	25	16
Consumer Loan Companies	5	7
Industrial Loan Companies	0	0
Money Transmitters	6	7
Total	79	68
Unlicensed Lenders/Other		
Internet Payday/Installment Lenders	25	21
Other Complaints	5	8
Total	30	29

Division of Securities

- ◆ **1,415** broker-dealer firms
- ◆ **177** state-registered investment adviser firms

Department of Financial Institutions

Division of Securities

The **Securities Division** achieves balanced regulation through robust examination, enforcement and registration programs. In 2019, the Compliance Branch examined 74 state-registered investment advisers and broker-dealers. Seven administrative orders or agreements were entered based upon examination findings. The number of individual and entity registrations or renewals remained relatively stagnant throughout the calendar year. The exception was broker-dealer agent registrations, which have continued to increase over the last several periods. Investment company filings also increased, while other notice filings and claims of exemption remained steady compared to previous years. During 2019, the Registration Branch processed more than

140,000 registrations of firms, financial professionals and securities.

Throughout the year, administrative actions resulted in \$438,950 in fines and more than \$2.2 million in ordered restitution. The Enforcement Branch assisted with numerous criminal investigations, which resulted in 84 months of ordered imprisonment or probation. The branch continues to work jointly with other agencies and law enforcement authorities to ensure compliance with state and federal securities laws and regulations.

Securities Division staff is focused on investor education by holding events throughout the state, such as Senior Scam Jams. Staff members routinely shared their expertise through speaking engagements to promote investor protection and financial education.

Compliance Branch Report

Examiners in **the Compliance Branch** perform examinations of broker-dealers and investment advisers, as well as their respective agents and representatives, to determine compliance with Kentucky securities laws. Examiners also assist DFI legal staff with administrative and civil actions the department may pursue against violators of the Securities Act.

Compliance Branch Examinations	Dec. 31, 2019	Dec. 31, 2018
Broker-Dealer Examinations	5	26
Investment Advisor Examinations	69	74
Total Examinations	74	100
Orders/Agreements Entered as a Result of Examination	7	5

Division of Securities

Licensing & Registration Branch Report

Employees in **the Licensing and Registration Branch** process applications for the registration of broker-dealers, investment advisers, investment adviser representatives and agents. The registration staff ensures applications from firms and individuals meet Kentucky securities laws' requirements. Staff also responds to inquiries from the public concerning investment adviser or broker registration status and disciplinary history.

BROKER-DEALERS HEADQUARTERED IN KENTUCKY	
Name	City
Alexander Investment Services Co.	Louisville
Churchill Financial LLC	Louisville
Dupree & Company Inc.	Lexington
EF Legacy	Louisville
First Kentucky Securities Corporation	Louisville
Investment Bank Services Inc.	Louisville
Jefferson National Securities Corporation	Louisville
Nancy Barron and Associates Inc.	Lexington
Private Client Services LLC	Louisville

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY	
Primary Business Name	Main City
80/20 Wealth Management	Crestwood
Accredited Wealth Management LLC	Louisville
Acuity Wealth Management Advisors	Lexington
Advantage Investment Management	Louisville
Arnett Financial Group	Morganfield
Bahe Farnsley Advisors	Louisville
Beacon Asset Management	Owensboro
Blacksummit Financial Group Inc.	Nicholasville
Bluegrass Capital Advisors LLC	Louisville
Bluegrass Financial Planning LLC	Louisville
C2Alpha LLC	Louisville
Canopus Wealth Management	Louisville
Capital Investment Management Inc.	Leitchfield

Division of Securities

Licensing & Registration Branch Report

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY (continued)	
Primary Business Name	Main City
Cashel Financial Advisors LLC	Louisville
Churchill Financial LLC	Louisville
Civitas Financial	Louisville
Clark Financial Planning	Louisville
Clear Trace LLC	Peewee Valley
Clearleaf	Louisville
Coats Financial Planning	Louisville
Cochran & Associates Inc.	Crestwood
Corley Capital LLC	Brandenburg
Commonwealth Financial Advisors LLC	Louisville
Conservative Asset Management Inc.	Louisville
Context Financial LLC	Lexington
Cox Planning Services PLLC	Paducah
Crimson Oak Wealth Management LLC	Lexington
Crossroads Financial Consulting	Paducah
Dean Dorton Wealth Management LLC	Lexington
Delatone Capital Management LLC	Lexington
Different By Design Financial Planning	Louisville
Doyle Asset Management LLC	Cadiz
E2 Financial Services LLC	Southgate
Encompass Financial Advisors LLC	Danville
Feddern Financial Consulting Group LLC	Louisville
Federal Hill Capital Management	Bardstown
Financial Architects Inc.	Louisville
Financial Grit LLC	Bowling Green
Focus on Success LLC	Fort Mitchell
Foster Investment Services	Lexington
Fox & Company Wealth Management	Mayfield
G J Kohler Investment Advisors LLC	Prospect
GC Asset Management LLC	Louisville

Division of Securities

Licensing & Registration Branch Report

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY (continued)	
Primary Business Name	Main City
Goldenrod Financial LLC	Somerset
Graeter Wealth Advisors LLC	Louisville
Greenwell Capital Management LLC	Owensboro
Griggs Capital LLC	Lexington
Harvey R. Little Jr. Financial Services	Berea
High Knoll Wealth Advisors LLC	Lexington
Highland Capital Advisors LLC	Louisville
HPC Financial Services LLC	Louisville
Independent Capital LLC	Lexington
Integra Finance LLC	Louisville
Invest Inc.	Lexington
Investment Answers	Louisville
Investment Research Advisory Corporation	Louisville
Investments & Financial Planning LLC	Lexington
J. Hagan Capital Inc.	Louisville
Jesse Investment Advisors Inc.	Louisville
Journey Financial Management LLC	Bowling Green
JS Financial LLC	Louisville
Keepsake Management Inc.	Lexington
Key Financial Advisors LLC	Owensboro
Lach Financial	Louisville
Lead Point Wealth Management LLC	Louisville
Leif Clarke Wealth Management Inc.	Ashland
Lexington Financial Advisors LLC	Lexington
Life Advisors Financial Planning and Wealth Management LLC	Munfordville
Lifetime Wealth Design LLC	Louisville
Linker Capital Management Inc.	Prospect
Magnate Advisory Services LLC	Louisville
Mann Capital Management LLC	Florence
MC Financial Services Inc.	Louisville

Division of Securities

Licensing & Registration Branch Report

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY (continued)	
Primary Business Name	Main City
Mercurio Wealth Advisors	Louisville
Moneylife Partners Inc.	Louisville
Moneywise Inc.	Lexington
Multi Fund Management Inc.	Louisville
New Millennium Asset Management Inc.	Richmond
Page Financial Services LLC	Louisville
Palmer Capital Management Inc.	Verona
Panoptic Financial Group LLC	Somerset
Pierce Financial Planning	Lexington
Pivot Point Wealth Planning	Brandenburg
Poplar Ventures LLC	Louisville
Principled Wealth Advisors LLC	Covington
Proactive Advisors LLC	Lexington
Proactive Wealth Management	Lexington
Prosperity Asset Management LLC	Louisville
Questus Trading LLC	Louisville
Regional Investment Advisors Inc.	Louisville
Reliable Municipal Advisors LLC	Betsy Layne
Remington Wealth Management LLC	Louisville
Research & Portfolio Management	Crescent Springs
Resource Design Inc.	Edgewood
Revolutionary Wealth Management Corp	Louisville
Rite Financial Group LLC	Lexington
Rivercities Asset Management LLC	Owensboro
Riverstone Asset Management LLC	Louisville
Robert M. Walker & Associates	Taylorsville
Sachs Investment Group	Louisville
Scholar Financial	Bowling Green
Springhouse Financial LLC	Louisville
Stromberg Investment Advisors	Georgetown

Division of Securities

Licensing & Registration Branch Report

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY (continued)	
Primary Business Name	Main City
Tactical Wealth Management	Covington
Tashari Financial Group LLC	Lexington
The Wright Legacy Group LLC	Elizabethtown
The Prosperity Place	Bellevue
Thomas M. Zalla, PhD	Fort Wright
Thompson Investment Advisors	Louisville
TKM Financial Services LLC	Louisville
Townsend Financial Planning	Mt. Sterling
Walker Financial Services Inc.	Bowling Green
Wealth Management of Kentucky Inc.	Lexington
Wealth Management of the Bluegrass	Lexington
Witter & Westlake Investments	Louisville
Wrenne Financial Planning LLC	Lexington
Your Best Move Inc.	Bardstown

BROKER-DEALER REGISTRATIONS		
	Dec. 31, 2019	Dec. 31, 2018
Renewed	1,416*	1,434
Approved	78	77
Withdrawals (Form BDW)	79	90
Total Registered (Year-End)	1,415	1,421

* The difference between the number of renewals and end-of-year totals is due to new, withdrawn, failed-to-renew and terminated individuals and entities during the calendar year.

Division of Securities

Licensing & Registration Branch Report

BROKER-DEALER AGENT REGISTRATIONS		
	Dec. 31, 2019	Dec. 31, 2018
Renewed	126,946*	123,714
Approved	28,954	25,861
Terminated	24,400	23,332
Total Registered (Year-End)	131,500	126,243

ISSUER AGENT REGISTRATIONS		
	Dec. 31, 2019	Dec. 31, 2018
Renewed	9	14
Approved	0	1
Terminated	4	6
Total Registered (Year-End)	5	9

STATE-REGISTERED INVESTMENT ADVISERS		
	Dec. 31, 2019	Dec. 31, 2018
Renewed	181	190
Approved	8	**
Terminated	12	**
Total Registered (Year-End)	177	181*

FEDERAL COVERED INVESTMENT ADVISERS		
	Dec. 31, 2019	Dec. 31, 2018
Renewed	1,154	1,110
Total Effective Notice Filings (Year-End)	1,167*	1,154*

INVESTMENT ADVISER REPRESENTATIVES (IAR)		
	Dec. 31, 2019	Dec. 31, 2018
Renewed	5,791*	5,653
Total State and Federal IARs (Year-End)	5,889*	5,857*

* The difference between the number of renewals and end-of-year totals is due to new, withdrawn, failed-to-renew, and terminated individuals and entities during the calendar year. ** Did not track.

Division of Securities

Licensing & Registration Branch Report

Corporation Finance

The Licensing and Registration Branch includes **Corporation Finance** staff who process applications for the registration or exemption from registration of securities to be offered and sold in Kentucky. The staff in this area also process notice filings by issuers of federally covered securities, such as mutual funds. In addition, the staff answers questions from the public about the requirements for selling securities in Kentucky.

	Dec. 31, 2019	Dec. 31, 2018
Private Placement Securities Offerings	41	40
NOTICE FILINGS		
Investment Companies—New	429	360
Investment Companies—Renewals	3,669	3,395
Unit Investment Trusts	1,241	1,391
Regulation D, Rule 506 Offerings	794	704
EXEMPTIONS		
Claims of Exemption Requested	53	555
Regulation A, Tier 2 Offerings	39	*
TOTAL FILINGS	6,266	6,445

* Did not track.



Division of Securities

Enforcement Branch Report

The **Enforcement Branch** investigates allegations of securities fraud and related illegal conduct. In coordination with DFI's legal staff, investigators assist with administrative and civil actions the department may pursue against alleged violators of the Securities Act. In addition, division investigators work closely with outside law enforcement agencies and collaborate with securities investigators from other states. The division refers cases to state and federal authorities for criminal prosecution.

	Dec. 31, 2019	Dec. 31, 2018
INVESTIGATIONS		
Referrals/Assistance to Outside Agencies	5	7
Referrals from Outside Agencies	7	13
Investigations Opened	12	21
Investigations Closed	15	11
Investigations Pending	35	38
ENFORCEMENT ACTIONS		
Administrative Orders	18	10
Civil Orders	0	0
Fines	\$438,950	\$612,000
Restitution to Clients/Investors (Ordered)	\$2,287,392	\$1,125,000
CRIMINAL ACTIONS		
Criminal Referrals	1	3
Criminal Indictments	0	3
Investigations with Federal/State Law Enforcement Authorities	5	5

CRIMINAL SENTENCINGS IN 2019

Ronnie Rodgers—48 months imprisonment, 36 months supervised release

Kentucky Department of Financial Institutions

500 Mero Street, 2SW19 Frankfort, KY 40601 * KFI.KY.GOV * 502-573-3390