

**Supervising Kentucky's Financial Industry for 106 years**



**2018**  
**ANNUAL REPORT**

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KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS

**[HTTP://KFI.KY.GOV](http://kfi.ky.gov) \* 800-223-2579 \* 502-573-3390**



# DEPARTMENT OF FINANCIAL INSTITUTIONS

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In 2018, the Kentucky Department of Financial Institutions (DFI) supervised:

10	<b>DIVISION OF DEPOSITORY INSTITUTIONS</b>
	- <b>BANK BRANCH</b>
	120 State-chartered banks with assets from \$26 million to \$5.2 billion
17	- <b>CREDIT UNION BRANCH</b>
	22 State-chartered credit unions with assets from \$1 million to \$1.2 billion
22	<b>DIVISION OF NONDEPOSITORY INSTITUTIONS</b>
	7,414 Loan originators/processors
	1,609 Mortgage companies/brokers
	450 Check cashers/payday lenders/limited check cashers
	381 Consumer loan companies
	1 Industrial loan company
	113 Money transmitters
25	<b>DIVISION OF SECURITIES</b>
	1,421 Broker-dealer firms
	181 State investment adviser firms

## DFI BOARD MEETING

*DFI Board with ECU student team and advisor for the CSBS competition, General Butler State Park, Oct. 24, 2018.*



Matthew G. Bevin, Governor



K. Gail Russell, Secretary  
Charles Vice, Commissioner

PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS

Dear Gov. Bevin,

As Commissioner of the Kentucky Department of Financial Institutions, I am pleased to present the 2018 Annual Report. As part of the Administration's Red Tape Reduction initiative, the Department has eliminated approximately 35 percent of its rules and regulations and continues to review the remaining regulations to simplify and clarify regulatory requirements.

The financial services industry continues to experience significant change, including fluctuating numbers of financial service institutions, modification of platforms used by companies and a shift in transaction speed. The Department strives to create a business-friendly environment that promotes economic growth opportunities while providing appropriate consumer protections. The Department accomplished its consumer protection goals in 2018 through appropriate supervision of the industries it regulates, participation in various consumer outreach programs, and support of the Kentucky Saves initiative. The Department also hosted industry outreach events to clarify expectations.

The banking industry continues to experience consolidation with the number of state-chartered banks declining from 124 in 2017 to 120 in 2018. The number of state-chartered credit unions reduced by one to 22 at the end of 2018. Both the banking and credit union industries reported strong profitability in 2018 compared to prior years. The number and complexity of non-depository financial service providers registered or licensed in Kentucky continues to increase as consumers seek financial services from a variety of sources. The Securities Division remains a leader in supervision, and several employees represent the Department and the Commonwealth on national board committees and regulatory working groups. The Department works closely with local and federal prosecutors to promptly address investor harm when identified.

Despite significant change within the financial services industry, the Department successfully executed its supervisory duties and responsibilities. As this report indicates, the Department achieved its mission and strategic goals in 2018. 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 that reads "Charles A. Vice".

# DEPARTMENT OF FINANCIAL INSTITUTIONS

## COMMISSIONERS 1912-2018

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 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 ATTIKSSON	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. JHOLMES (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	ERNIE FLETCHER
2005*	CORDELL G. LAWRENCE	ERNIE FLETCHER
2007*	CORDELL G. LAWRENCE	STEVEN L. BESHEAR
2008	CHARLES A. VICE	STEVEN L. BESHEAR
2015-PRESENT	CHARLES A. VICE	MATTHEW BEVIN

\*Title was executive director for 2004-2007

# DEPARTMENT OF FINANCIAL INSTITUTIONS

## HISTORY

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The Banking Act of 1912 originally established DFI as the Department of Banking. The department was charged 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 lists six employees – a commissioner, deputy, clerk, and several examiners. Initially, the department supervised 466 commercial banks, savings banks, independent trust companies, and title companies with total assets of only \$110 million. The 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 oversight of 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’s consumer outreach program has educated hundreds of Kentuckians about financial management and fraud protection. Besides teacher and student resources, the outreach program includes information for adults, and programs like the *Dash for the Stash* investor education contest and regional *Senior Scam Jam* events.



*Sec. Gail Russell and DFI Board with EKU Student team and advisor for the CSBS competition, General Butler State Park, Oct. 24, 2018*

# DEPARTMENT OF FINANCIAL INSTITUTIONS

## FINANCIAL INSTITUTIONS BOARD



### **BANKING INDUSTRY**

Mike D. Wilson  
Irvine  
Term expires 10/10/20  
Citizens Guaranty Bank

J. Dale Sights  
Henderson  
Term expires 10/10/19  
Field and Main Bank

### **CREDIT UNION**

Karen Conyers Harbin  
Frankfort  
Term expires 10/10/22  
Commonwealth Credit Union

### **CONSUMER FINANCE**

David Martin Stockton  
Frankfort  
10/10/22  
Stockton Mortgage Corp.

### **SECURITIES**

Joe P. Roberts  
Lexington  
Term expires 10/10/19  
Roberts Insurance and Investments

James Michael Rogers  
Prospect  
Term expires 10/10/20  
Retired, Hilliard Lyons

Gwendolyn C. Collins  
Lexington  
Term expires (10/10/2022)  
Retired, Financial Consultant

### **PUBLIC AT LARGE**

Kenneth Alan Potish  
Louisville  
Term expires 10/10/20  
Alpha Leasing Company

Michelle Diane Penque  
Cold Spring  
10/10/21  
Great American Insurance Company

Joseph William Varner  
Bowling Green  
10/10/21  
Retired, PBI Bank Vice President

### **DFI COMMISSIONER, CHAIR**

Charles A. Vice

### **DFI BOARD**

The Financial Institutions Board is a statutory body that serves in an advisory capacity to the Governor and the DFI Commissioner. The board consists of representatives of all segments of Kentucky's financial industry and the public at large, and the DFI Commissioner is chair.

The board's duties are defined in Kentucky Revised Statute 286.1-013.

# DEPARTMENT OF FINANCIAL INSTITUTIONS

## MISSION, VALUES, VISION

### MISSION STATEMENT

DFI's mission is to serve Kentucky residents by maintaining a stable financial industry, continuing effective & efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.

### Vision

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.

### Values

**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.

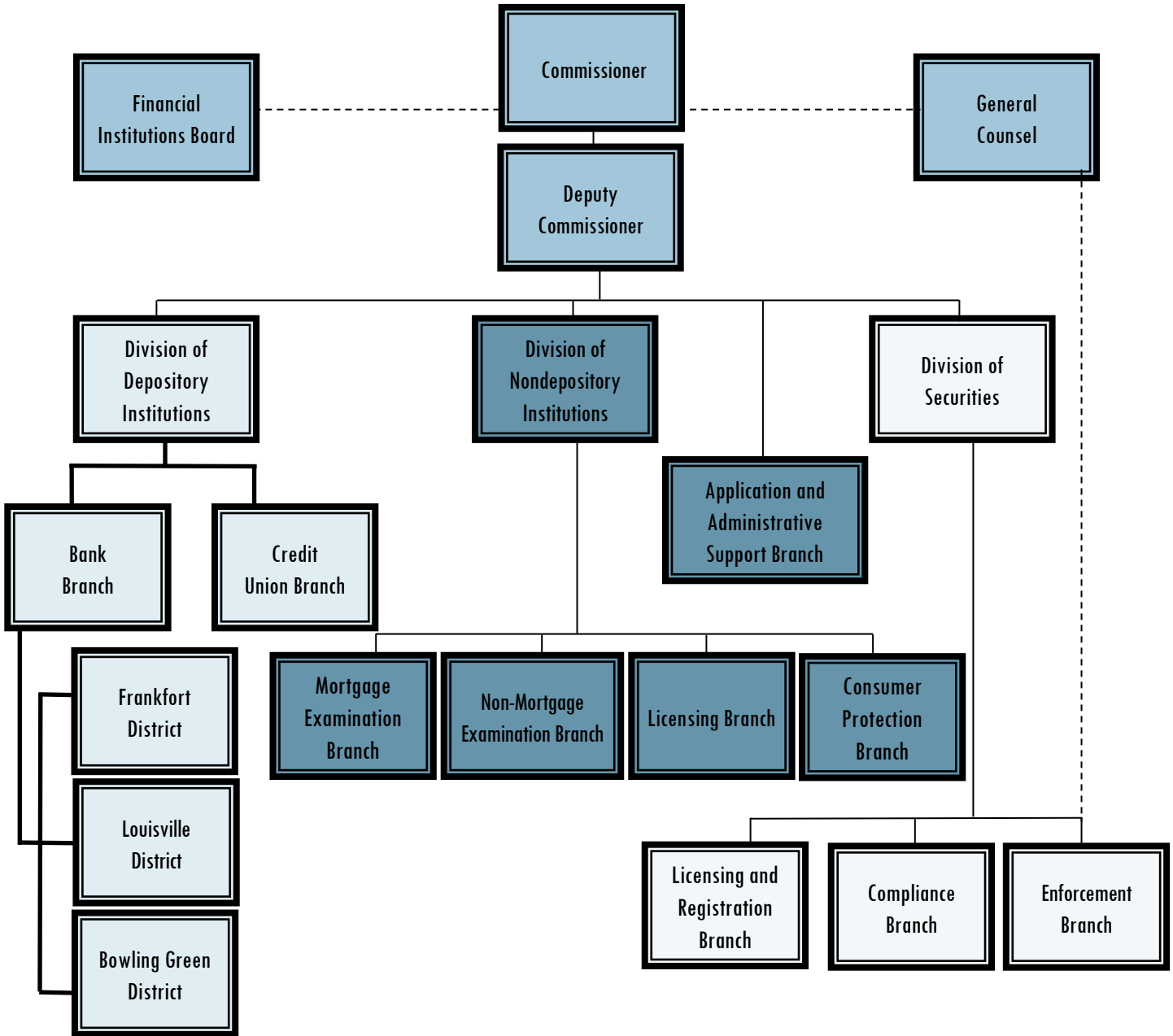
**Respect** We will be sensitive to the viewpoints and efforts of others, and we will strive to meet the needs of all of our stakeholders.

**Initiative** We will identify potential issues that may impact the financial services industry, formulate appropriate solutions, and proactively respond to change.



# DEPARTMENT OF FINANCIAL INSTITUTIONS

## ORGANIZATIONAL STRUCTURE



### APPLICATION AND ADMINISTRATION 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 office and district offices), fiscal management, operations and quality control, safety officer, budgeting, revenue and expenditure analysis, and personnel. The Application and Administrative Support Branch provides the necessary tools 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 wanting to speak with a member of the agency's staff may call toll-free 800-223-2579 with their questions and concerns. Information for consumers, regulated industries, and the general public is available online at <http://kfi.ky.gov>. Business hours are from 8 a.m. to 5 p.m. Eastern time at the DFI office located at 1025 Capital Center Drive, Suite 200, Frankfort, KY 40601.

# DEPARTMENT OF FINANCIAL INSTITUTIONS

## DIVISION OF DEPOSITORY INSTITUTIONS

The DFI's Division of Depository Institutions consists of two branches: the Bank Branch & the Credit Union Branch. The division has two branch managers and three district managers who supervise examiners tasked with evaluating & monitoring the safety and soundness of state-chartered banks, credit unions, and independent trust companies.

In 2018, the Division of Depository Institutions conducted a total of 83 on-site examinations and visitations of its chartered entities. In addition, the Division of Depository Institutions conducts routine off-site monitoring to identify risks timely. This work could not have been accomplished without the commitment of each examiner and manager to the protection of Kentucky residents' financial interests and to the safety and soundness of Kentucky-chartered financial institutions.

## DIVISION OF DEPOSITORY INSTITUTIONS

### BANK BRANCH

### 106<sup>TH</sup> ANNUAL BANKING REPORT

As of year-end 2018, the Bank Branch was responsible for the supervision of 120 state-chartered banks with aggregate assets of more than \$51 billion. Over 60 percent of state-regulated banks report total assets of less than \$250 million, with the smallest institution holding assets of \$21 million and the largest institution holding assets of over \$5 billion. While the total number of supervised banks decreased, total assets held by state-chartered banks only decreased by less than one percent since year-end 2017.

Due to the improving economic conditions and recently enacted Federal tax reform, Kentucky state-chartered banks, on average, recognized improved financial metrics throughout 2018. The average Return on Assets continues to trend positively as it rose to 1.25 percent at year-end 2018. Net Interest Margins have slightly improved in the current interest rate environment, with the average Net Interest Margin totaling 3.87 percent as of December 31, 2018. Additionally, capital levels of state-chartered banks continue to exceed the national average. As of December 31, 2018, the Leverage Capital ratio averaged 11.27 percent, compared to the national average of 10.37 percent, and remained the highest of surrounding states.

## BANK PERFORMANCE COMPARISON

	Institutions Reporting	Net Interest Margin	Return on Assets	Leverage Capital Ratio
Kentucky	120	3.87	1.25	11.27
Illinois	296	2.60	1.14	9.08
Indiana	74	3.70	1.39	10.36
Missouri	236	3.57	1.43	10.22
Ohio	96	3.59	1.56	10.37
Tennessee	125	3.93	1.33	10.44
Virginia	53	3.83	1.19	10.89
West Virginia	43	3.72	1.16	10.19
National	3,896	3.58	1.37	10.37

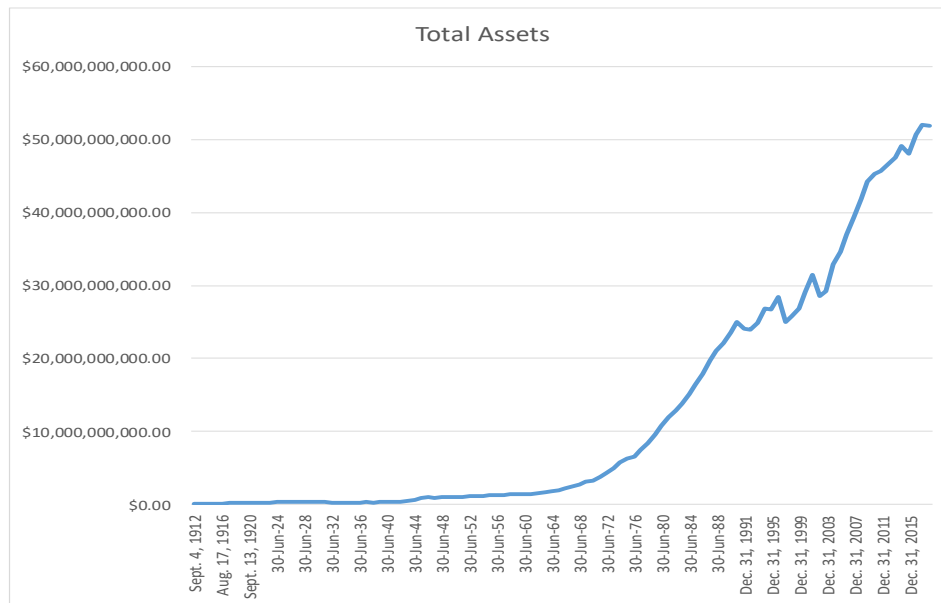
# STATE-CHARTERED BANKS

## CONSOLIDATED CONDITION AND INCOME DATA

	Dec. 31, 2018	Dec. 31, 2017
Number of institutions reporting	120	124
Total employees (full-time equivalent)	11,583	12,103
<b>AGGREGATE CONDITION AND INCOME DATA (Dollar figures in millions)</b>		
Net income (year-to-date)	635	551
Total assets	51,867	52,069
Earning assets	48,280	48,479
Total loans and leases	37,160	36,639
Other real estate owned	88	119
Total deposits	41,700	41,981
Equity capital	5,891	5,813
<b>PERFORMANCE RATIOS (YTD, %)</b>		
Yield on earning assets	4.55	4.27
Cost of funding earning assets	0.68	0.47
Net interest margin	3.87	3.80
Noninterest income to average earning assets	1.09	1.05
Noninterest expense to average earning assets	3.24	3.22
Net charge-offs to loans and leases	0.2	0.17
Credit-loss provision to net charge-offs	109.72	134.41
Net operating income to average assets	1.25	1.08
Retained earnings to average equity	5.99	4.52
Pre-tax return on assets	1.44	1.35
Return on assets	1.25	1.08
Return on equity	11.17	9.66
Percent of unprofitable institutions	3.33	5.65
Percent of institutions with earning gains	71.67	63.71
<b>CONDITION RATIOS (%)</b>		
Net loans and leases to assets	70.83	69.53
Loss allowance to:		
Loans and leases	1.13	1.18
Noncurrent loans and leases	157.59	148.81
Noncurrent loans and leases to total loans and leases	0.72	0.80
Nonperforming assets to assets	0.69	0.79
Core deposits to total liabilities	76.46	77.46
Equity capital to total assets	11.36	11.16
Core capital (leverage) ratio	11.27	10.87
Total capital to risk-weighted assets	15.74	15.51
Gross 1-4 family mortgages to gross assets	23.27	23.60
Gross real estate assets to gross assets	62.73	62.44

# STATE-CHARTERED BANKS

## ANNUAL CONSOLIDATED ASSETS



# STATE-CHARTERED BANKS

## MERGERS

8-20-2018 – United Bank & Capital Trust Company, Frankfort, Kentucky, merged into WesBanco Bank, Inc., Wheeling, West Virginia

9-20-2018 – Blue Grass Community Bank, Danville, Kentucky, merged into Monticello Banking Company, Monticello, Kentucky

10-15-2018 – First Security Bank, Inc., Owensboro, Kentucky, merged into German American Bank, Inc., Jasper, Indiana

12-8-2018 – Farmers Deposit Bank, Cynthiana, Kentucky, merged into City National Bank of West Virginia, Charleston, West Virginia

## CHARTER SURRENDER

10-31-2018 – American Founders Bank, Inc., Louisville, Kentucky, assets and deposits were purchased by Evansville Teachers Federal Credit Union, Evansville, Indiana. Bank charter was surrendered.

5-31-2018 – Citizens Commerce National Bank, Versailles, Kentucky converted to a state charter under the name of Citizens Commerce Bank, Inc., Versailles, Kentucky

# STATE-CHARTERED BANKS

## TOTAL ASSETS

Institution Name	City	Class	Total Assets(\$000)
1st Trust Bank, Inc.	Hazard	NM	257,172
American Bank & Trust Company, Inc.	Bowling Green	NM	389,476
Auburn Banking Company	Auburn	NM	78,621
Bank of Buffalo	Buffalo	SM	73,259
Bank of Cadiz and Trust Company	Cadiz	SM	103,088
Bank of Clarkson	Clarkson	NM	119,371
Bank of Columbia	Columbia	NM	139,065
Bank of Edmonson County	Brownsville	NM	212,294
Bank of Hindman	Hindman	NM	196,637
Bank of Jamestown	Jamestown	NM	194,865
Bank of Lexington, Inc.	Lexington	NM	249,684
Bank of Maysville	Maysville	NM	125,860
Bank of the Bluegrass and Trust Company	Lexington	NM	258,489
Bank of the Mountains, Inc.	West Liberty	NM	70,049
Bedford Loan & Deposit Bank	Bedford	NM	94,097
Central Bank & Trust Co.	Lexington	NM	2,597,161
Century Bank of Kentucky, Inc.	Lawrenceburg	NM	139,933
Citizens Bank	Mount Vernon	NM	141,610
Citizens Bank	Hartford	SM	100,825
Citizens Bank & Trust Co. of Jackson	Jackson	NM	146,259
Citizens Bank & Trust Company	Campbellsville	NM	206,193
Citizens Bank of Cumberland County, Inc.	Burkesville	NM	75,984
Citizens Bank of Kentucky, Inc.	Paintsville	SM	589,527
Citizens Commerce Bank	Versailles	NM	247,114
Citizens Deposit Bank & Trust	Vanceburg	NM	444,842
Citizens Deposit Bank of Arlington, Inc.	Arlington	NM	213,521
Citizens First Bank, Inc.	Bowling Green	NM	475,737
Citizens Guaranty Bank	Richmond	NM	169,722
Citizens Union Bank of Shelbyville	Shelbyville	NM	791,215
Clinton Bank	Clinton	NM	62,463
Commercial Bank	West Liberty	NM	139,441
Commonwealth Bank and Trust Company	Louisville	NM	996,244
Commonwealth Community Bank, Inc.	Hartford	NM	142,446
Community Financial Services Bank	Benton	SM	1,172,130
Community Trust Bank, Inc.	Pikeville	SM	4,179,535
Cumberland Security Bank, Inc.	Somerset	NM	204,761
Dixon Bank	Dixon	NM	84,158
Eclipse Bank, Inc.	Louisville	NM	153,165
Edmonton State Bank	Glasgow	NM	527,185
Elkton Bank & Trust Company	Elkton	NM	141,628
Farmers & Traders Bank of Campton	Campton	NM	47,968
Farmers Bank and Trust Company	Marion	NM	203,870
Farmers Bank and Trust Company	Princeton	NM	130,190

# STATE-CHARTERED BANKS

## TOTAL ASSETS

Institution Name	City	Class	Total Assets(\$000)
Farmers Deposit Bank of Middleburg, Inc.	Middleburg	NM	44,619
Farmers State Bank	Booneville	NM	50,390
Field & Main Bank	Henderson	SM	443,504
First & Peoples Bank and Trust Company	Russell	NM	194,157
First Community Bank of the Heartland, Inc.	Clinton	NM	236,246
First Kentucky Bank, Inc.	Mayfield	NM	442,150
First State Bank	Irvington	NM	203,115
First Sate Bank of The Southeast, Inc.	Middlesboro	NM	347,050
First State Bank, Inc.	Central City	NM	154,786
First United Bank and Trust Company	Madisonville	NM	339,039
FNB Bank, Inc.	Mayfield	NM	506,834
Franklin Bank & Trust Company	Franklin	NM	514,936
Fredonia Valley Bank	Fredonia	NM	86,423
Hancock Bank & Trust Company	Hawesville	NM	287,446
Hart County Bank and Trust Company	Munfordville	NM	25,379
Heritage Bank USA, Inc.	Hopkinsville	NM	929,451
Heritage Bank, Inc.	Erlanger	NM	898,294
Home Federal Bank Corporation	Middlesboro	NM	381,367
Hometown Bank of Corbin, Inc.	Corbin	NM	163,942
Hyden Citizens Bank	Hyden	NM	129,306
Independence Bank of Kentucky	Owensboro	SM	2,358,895
Inez Deposit Bank	Inez	NM	141,880
Jackson County Bank	Mc Kee	NM	135,414
Kentucky Bank	Paris	NM	1,083,454
Kentucky Farmers Bank Corporation	Catlettsburg	NM	178,412
King Southern Bank	Chaplin	SM	198,936
Lewisburg Banking Company	Lewisburg	SM	121,110
Limestone Bank, Inc.	Louisville	NM	1,065,453
Louisa Community Bank	Louisa	NM	32,369
Magnolia Bank	Magnolia	NM	268,405
Meade County Bank	Brandenburg	NM	200,584
Metro Bank	Louisville	NM	26,189
Morgantown Bank & Trust Company, Incorporated	Morgantown	NM	193,864
Owingsville Banking Company	Owingsville	NM	69,972
PBK BANK, INC.	Stanford	NM	116,750
Peoples Bank	Lebanon	NM	54,745
Peoples Bank & Trust Company	Owenton	NM	54,271
Peoples Bank & Trust Company of Hazard	Hazard	SM	249,160
Peoples Bank and Trust Company of Clinton County	Albany	NM	38,370
Peoples Bank and Trust Company of Madison County	Berea	SM	400,298
Peoples Bank of Kentucky, Inc.	Flemingsburg	NM	317,617
Peoples Exchange Bank	Winchester	NM	396,009
Pinnacle Bank, Inc.	Vanceburg	NM	48,819

# STATE-CHARTERED BANKS

## TOTAL ASSETS

Institution Name	City	Class	Total Assets(\$000)
Planters Bank, Inc.	Hopkinsville	NM	1,072,504
Republic Bank & Trust Company	Louisville	NM	5,230,165
River City Bank, Inc.	Louisville	NM	344,869
Sebree Deposit Bank	Sebree	NM	21,325
Security Bank and Trust Co.	Maysville	NM	54,963
South Central Bank, Inc.	Glasgow	NM	1,195,121
Springfield State Bank	Springfield	SM	315,618
Stock Yards Bank & Trust Company	Louisville	NM	3,301,156
Taylor County Bank	Campbellsville	NM	179,274
The Bankers' Bank of Kentucky, Inc.	Frankfort	SM	126,237
The Casey County Bank, Inc.	Liberty	SM	187,621
The Cecilian Bank	Cecilia	NM	875,638
The Citizens Bank	Morehead	NM	138,623
The Citizens Bank	Hickman	NM	134,248
The Commercial Bank of Grayson	Grayson	NM	176,009
The Farmers Bank	Nicholasville	NM	140,967
The Farmers Bank of Milton	Milton	NM	240,787
The First Commonwealth Bank of Prestonsburg, Inc.	Prestonsburg	NM	307,880
The Monticello Banking Company	Monticello	SM	736,192
The Paducah Bank and Trust Company	Paducah	SM	649,564
The Peoples Bank	Taylorsville	NM	106,534
The Peoples Bank	Mount Washington	NM	84,491
The Peoples Bank	Marion	SM	62,604
The Sacramento Deposit Bank	Sacramento	NM	105,200
Town & Country Bank and Trust Company	Bardstown	NM	304,423
Traditional Bank, Inc.	Mount Sterling	NM	1,522,837
United Citizens Bank & Trust Company	Campbellsburg	NM	109,320
United Citizens Bank of Southern Kentucky	Columbia	NM	159,813
United Community Bank of West Kentucky, Inc.	Morganfield	NM	262,052
United Cumberland Bank	Whitley City	NM	287,229
United Southern Bank	Hopkinsville	NM	223,491
West Point Bank	Radcliff	NM	259,065
Whitaker Bank	Lexington	SM	1,216,056
Wilson & Muir Bank & Trust Company	Bardstown	NM	519,326
<b>Total</b>			<b>51,867,466</b>

# STATE-CHARTERED BANKS

## TRUST ASSETS

Institution Name	City	Total Trust Assets(\$000)
Franklin Bank & Trust Company	FRANKLIN	161,118
Hancock Bank & Trust Company	HAWESVILLE	2,428
Hart County Bank and Trust Company	MUNFORDVILLE	3
Independence Bank of Kentucky	OWENSBORO	571,573
Kentucky Bank	PARIS	181,508
Kentucky Farmers Bank Corporation	CATLETTSBURG	114,067
Morgantown Bank & Trust Company, Incorporated	MORGANTOWN	4,283
Peoples Bank & Trust Company	OWENTON	2,447
Peoples Bank & Trust Company of Hazard	HAZARD	58,209
Peoples Bank of Kentucky, Inc.	FLEMINGSBURG	5,218
Planters Bank, Inc.	HOPKINSVILLE	151,698
Stock Yards Bank & Trust Company	LOUISVILLE	2,698,817
The Citizens Bank	HICKMAN	7,921
The Monticello Banking Company	MONTICELLO	-
The Paducah Bank and Trust Company	PADUCAH	258,415
Town & Country Bank and Trust Company	BARDESTOWN	254,961
United Community Bank of West Kentucky, Inc.	MORGANFIELD	8,739
Whitaker Bank	LEXINGTON	526,567
Wilson & Muir Bank & Trust Company	BARDESTOWN	178
<b>Total</b>		<b>8,894,492</b>

# STATE-CHARTERED INDEPENDENT TRUST COMPANIES

## ASSETS UNDER MANAGEMENT

Institution Name	City	Total Assets Under Management(\$000)
Community Trust & Investment Company	Lexington	2,311,267
1st Kentucky Trust	Louisville	- -
Glenview Trust Company	Louisville	12,770,489
Hilliard Lyons Trust Company	Louisville	9,809,009
<b>Total</b>		<b>24,890,765</b>



# DEPARTMENT OF FINANCIAL INSTITUTIONS

## DIVISION OF DEPOSITORY INSTITUTIONS

### CREDIT UNION BRANCH

#### 84TH ANNUAL CREDIT UNION REPORT

Kentucky credit unions performed strongly in 2018. Increases in shares, in combination with a decline in investments, fueled loan growth of 7.9 percent during the year. Shares, loans, and total assets achieved positive growth for the third consecutive year. As a result, the Return on Average Assets and the Net Interest Margin increased to 0.80 percent and 3.35 percent, respectively. The effect of higher market rates is shown in the increase in the average investment yield and in the cost of funds, which represents the amount credit unions pay in dividends and interest expense in relation to average assets. Capital levels benefitted from the increased income as the Net Worth ratio improved from 12.14 percent to 12.52 percent from 2017 to 2018.

The performance of Kentucky credit unions was comparable to its surrounding states and the national average. Consolidation was experienced nationally as the number of state-chartered credit unions declined from 2,074 in 2017 to 1,999 in 2018. Kentucky lost one charter due to a merger, and the trend of consolidation is expected to persist. While the number of charters declined, Kentucky residents continue to seek credit union membership. Kentucky credit unions offer services throughout the state, from the Western Kentucky counties of Daviess and Muhlenburg to the Eastern Kentucky counties of Boyd and Letcher, with the highest concentration of services offered in the most populous cities in central and northern Kentucky.

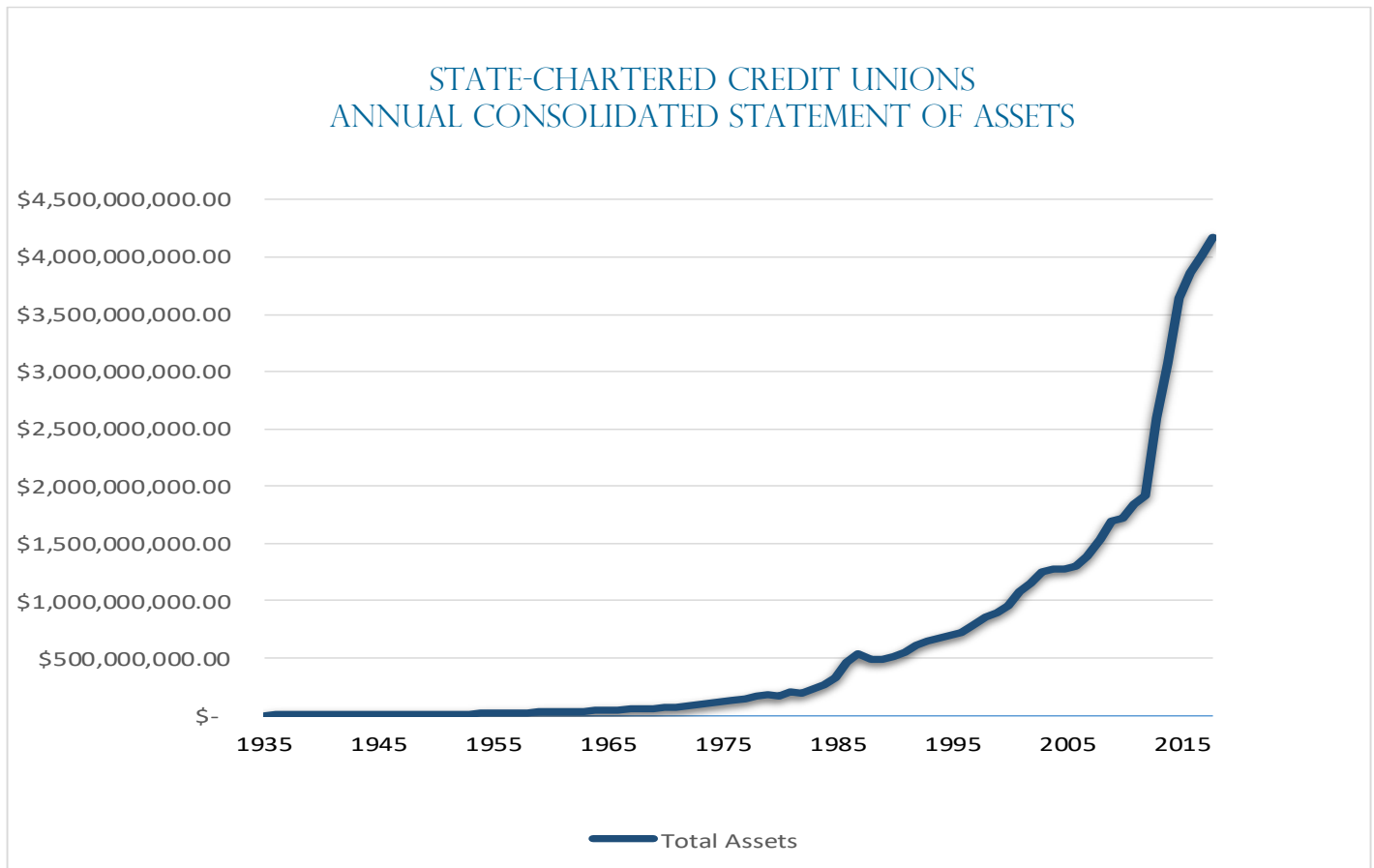
### CREDIT UNION PERFORMANCE COMPARISON

	No. of State Chartered Credit Unions	Net Worth Ratio	Return on Assets	Net Interest Margin
Kentucky	22	0.80	0.80	3.35
Illinois	175	0.65	0.65	2.75
Indiana	25	0.78	0.78	2.83
Missouri	99	0.68	0.68	3.13
Ohio	70	0.90	0.90	2.86
Tennessee	79	1.11	1.11	3.06
Virginia	28	0.80	0.80	3.38
West Virginia	3	0.64	0.64	3.18
National	1,999	0.90	0.90	3.02

*Above information for only state-chartered credit unions and is as of December 31, 2018, sourced from <http://fpr.ncua.gov/>*

# STATE-CHARTERED CREDIT UNIONS

## ANNUAL CONSOLIDATED ASSETS



# STATE-CHARTERED CREDIT UNIONS

## MERGERS

3-31-2018 — Friends First Credit Union, Owensboro, Kentucky, merged into Green River Area Federal Credit Union, Owensboro Kentucky.

3-31-2018 — LouChem Federal Credit Union, Louisville, Kentucky, merged into Commonwealth Credit Union, Frankfort, Kentucky.

8-1-2018 — NorthEast KY CAP Federal Credit Union, Olive Hill, Kentucky, merged into Members Choice Credit Union, Ashland, Kentucky.

## NAME CHANGE

7-16-2018 — Lexington Postal Credit Union, Lexington, Kentucky, changed its name to Lexington Postal Community Credit Union.

# STATE-CHARTERED CREDIT UNIONS

## CONSOLIDATED CONDITION AND INCOME DATA

Number of Institutions Reporting	22	23
<b>AGGREGATE CONDITION AND INCOME DATA (in thousands)</b>		
Loans	\$ 2,977,858	\$ 2,758,717
Assets	\$ 4,200,593	\$ 4,039,742
Liabilities	\$ 178,484	\$ 187,686
Shares and Deposits	\$ 3,524,161	\$ 3,384,690
Equity	\$ 497,948	\$ 467,367
Net Income	\$ 33,102	\$ 25,159
<b>PERFORMANCE RATIOS AND AVERAGES</b>		
<b>Capital Adequacy</b>		
Net Worth / Total Assets	12.52	12.14
Total Delinquent Loans / Net Worth	4.00	4.20
Solvency Evaluation (Estimated)	114.13	113.81
Classified Assets (Estimated) / Net Worth	4.17	4.51
<b>Asset Quality</b>		
Delinquent Loans / Total Loans	0.71	0.75
Net Charge-Offs / Average Loans	0.58	0.72
Held-to-Maturity Investment Fair Value / Book Value	98.92	99.49
Accumulated Unrealized Gain/Loss on Available-for-Sale Investments/ Cost of Available-for-Sale Investments	-1.48	-2.00
Delinquent Loans / Assets	0.50	0.51
<b>Earnings</b>		
Return On Average Assets	0.80	0.64
Gross Income / Average Assets	5.54	5.29
Yield on Average Loans	5.04	4.95
Yield on Average Investments	1.84	1.37
Fee & Other Operating Income / Average Assets	1.60	1.58
Cost of Funds / Average Assets	0.59	0.48
Net Margin / Average Assets	4.94	4.82
Operating Expense / Average Assets	3.73	3.68
Provision For Loan & Lease Losses / Average Assets	0.41	0.51
Net Interest Margin/Average Assets	3.35	3.23
Operating Expense /Gross Income	67.28	69.55
Fixed Assets & Foreclosed & Repossessed Assets / Total Assets	2.62	2.60
Net Operating Expense / Average Assets	2.79	2.72

# STATE-CHARTERED CREDIT UNIONS

## CONSOLIDATED CONDITION AND INCOME DATA

Number of Institutions Reporting	22	23
<b>Asset/Liability Management</b>		
Net Long-Term Assets / Total Assets	28.62	26.31
Regular Shares / Total Shares & Borrowings	44.16	45.19
Total Loans / Total Shares	84.50	81.51
Total Loans / Total Assets	70.89	68.29
Cash + Short-Term Investments / Assets	13.83	13.57
Total Shares, Deposits & Borrowings / Earning Assets	93.03	94.04
Reg Shares + Share Drafts / Total Shares & Borrowings	56.57	57.84
Borrowings / Total Shares & Net Worth	3.14	3.54
<b>Productivity</b>		
Members / Potential Members	2.64	2.59
Borrowers / Members	54.67	53.31
Members / Full-Time Employees	401.72	403.57
Average Shares Per Member	\$8,082	\$7,927
Average Loan Balance	\$12,490	\$12,120
Salary And Benefits / Full-Time Empl.	\$71,755	\$69,784
<b>Growth Ratios</b>		
Net Worth Growth	7.29	0.85
Market (Share) Growth	4.12	3.10
Loan Growth	7.94	5.90
Asset Growth	3.98	4.38
Investment Growth	-3.97	-4.23
Membership Growth	2.13	2.35

# STATE-CHARTERED CREDIT UNIONS

## TOTAL ASSETS

Credit Union Name	Year Est.	City	Total Assets 12/31/2018
Ashland	1942	Ashland	\$252,307,412
Autotruck Financial	1965	Louisville	\$137,927,951
Beacon Community	1947	Louisville	\$61,011,108
Brown-Forman Employees	1936	Louisville	\$11,799,593
C&O United	1928	Edgewood	\$16,119,032
Commonwealth	1951	Frankfort	\$1,233,697,643
Greater Kentucky	1953	Lexington	\$82,821,317
KEMBA Louisville	1934	Louisville	\$51,670,771
Kentucky Employees	1938	Frankfort	\$75,805,923
Letcher County Teachers	1964	Whitesburg	\$1,068,198
Lexington Postal Community	1928	Lexington	\$22,662,057
Louisville Federal	1924	Louisville	\$32,534,104
Louisville Gas and Electric Company	1934	Louisville	\$38,460,704
Members Choice	1932	Ashland	\$208,550,678
Members Heritage	1960	Lexington	\$366,145,911
Metro Employees	1940	Lexington	\$30,491,750
Muhlenberg Community Hospital	1961	Greenville	\$689,876
Park Community	1955	Louisville	\$907,640,054
Rural Cooperatives	1964	Louisville	\$36,177,365
Service One	1963	Bowling Green	\$161,057,410
Transcend	1960	Louisville	\$412,896,962
Whitesville Community	1962	Whitesville	\$25,982,375
<b>Total</b>			<b>\$4,167,518,194</b>

# DEPARTMENT OF FINANCIAL INSTITUTIONS

## DIVISION OF NONDEPOSITORY INSTITUTIONS

DFI's Division of Nondepository 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 that provide support to the division.

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

### LICENSING BRANCH 6TH ANNUAL NONDEPOSITORY LICENSING REPORT

The Licensing Branch is responsible for licensing non-bank financial institutions, comprised of mortgage loan companies, mortgage brokers, consumer loan companies, industrial loan companies, check cashers, deferred deposit/payday lenders, 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

License Type	Dec. 31, 2018	Dec. 31, 2017
Mortgage Companies	1,491	1,494
Mortgage Brokers	127	115
Check Cashers/Payday Lenders	446	453
Limited Check Casher	4	3
Consumer Loan Companies	381	387
Industrial Loan Companies	1	1
Money Transmitters	113	102
TOTAL	2,563	2,555
Registration Type		
Loan Originators	7,414	7,721
TOTAL	7,414	7,721

### MORTGAGE EXAMINATION BRANCH 6TH 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 conduct independent compliance examinations as well as multi-state examinations of companies licensed in the Commonwealth to ensure business is being conducted 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.

Examination Type	Dec. 31, 2018	Dec. 31, 2017
Mortgage Companies	106	80
Mortgage Brokers	36	41
TOTAL	142	121

# DEPARTMENT OF FINANCIAL INSTITUTIONS

## NON-MORTGAGE EXAMINATION BRANCH 6TH ANNUAL NON-MORTGAGE EXAMINATION REPORT

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

Examination Type	Dec. 31, 2018	Dec. 31, 2017
Check Cashers/Payday Lenders	445	450
Consumer Loan Companies	393	385
Industrial Loan Companies	0	- -
Money Transmitters	20	13
<b>TOTAL</b>	<b>858</b>	<b>848</b>

## CONSUMER PROTECTION BRANCH 10TH ANNUAL CONSUMER PROTECTION REPORT

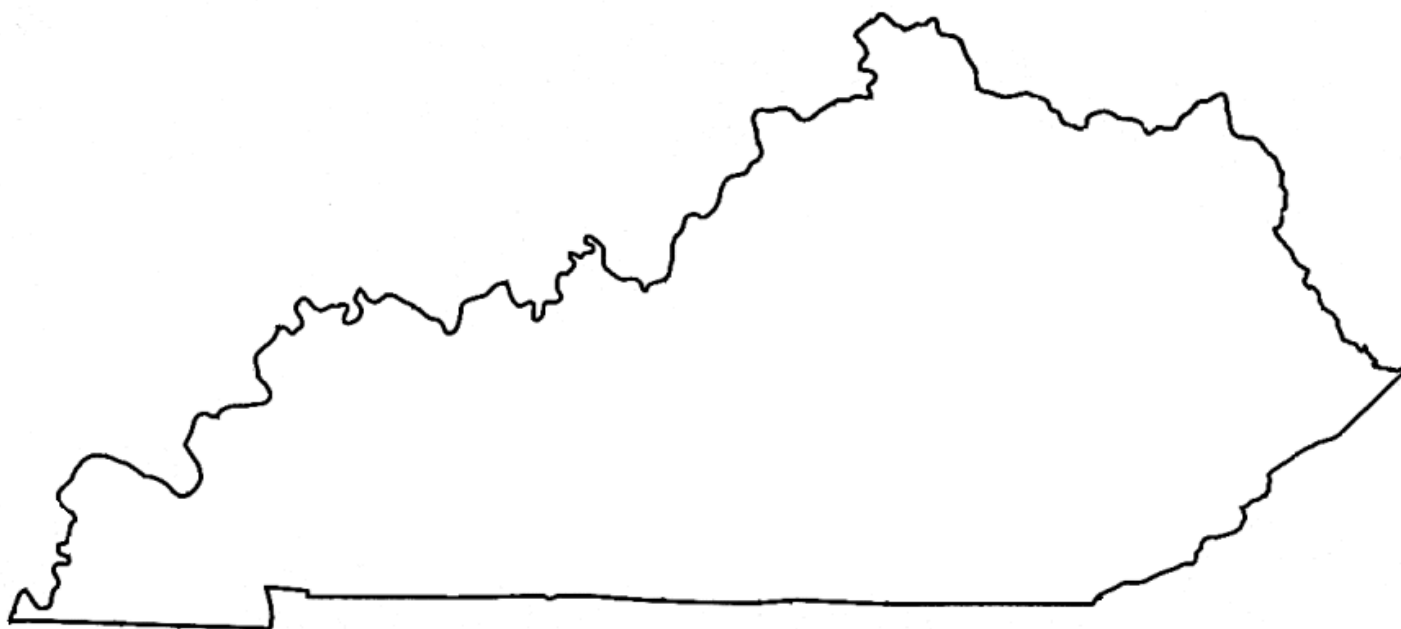
The Consumer Protection Branch investigates complaints and suspicious activity relating to nondepository institutions. The branch staff also records complaints about matters relating to depository institutions. The investigators identify, examine, and recommend actions against those companies and individuals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

Nondepository License Type	Dec. 31, 2018	Dec. 31, 2017
Mortgage Companies/Brokers	38	25
Check Cashers/Payday Lenders (licensed)	16	7
Consumer Loan Companies	7	14
Industrial Loan Companies	0	1
Money Transmitters	7	12
<b>TOTAL</b>	<b>68</b>	<b>59</b>
<b>Unlicensed Lenders/Other</b>		
Internet Payday/Installment Lenders	21	31
Other Complaints	8	6
<b>TOTAL</b>	<b>29</b>	<b>37</b>
<b>Depository License Type</b>		
State-Chartered Banks	25	39
State-Chartered Credit Unions	8	28
<b>TOTAL</b>	<b>33</b>	<b>67</b>

# CONSUMER LOAN COMPANIES

## CONSOLIDATED REPORT OF CONDITION

	Dec. 31, 2018
Licensed Consumer Loan Locations	381
Kentucky Consumer Loans Secured by Residential Real Estate >\$15,000	\$25,774,683
<b>ASSETS (Dollars)</b>	
Cash and Due from Depositor Institutions	1,525,379,851
Total KY Loans Receivable, Net of Unearned Interest and Reserves	781,354,314
Premises and Fixed Assets (Net of Depreciation)	317,706,394
Deferred Charges and Prepaid Expenses	255,751,257
Other Assets Used in Consumer Loan Business	6,326,238,115
Total Assets Used in Consumer Loan Business	9,206,429,931
<b>LIABILITIES &amp; CAPITAL (Dollars)</b>	
Total Liabilities (Total liabilities minus all other assets)	3,314,323,304
Total Capital	5,892,106,627
Total Liabilities & Capital	9,206,429,931





# DEPARTMENT OF FINANCIAL INSTITUTIONS

## DIVISION OF SECURITIES

The Securities Division balances regulation through robust examination, enforcement, and licensing programs. In 2018, the Compliance Branch increased its annual examinations to 100, and five orders or agreements were entered based upon examination findings. Most individual and entity registrations or renewals remained relatively stagnant throughout the calendar year with the exception of broker-dealer agent registrations, which have steadily increased. In addition, private placement offerings and unit investment trust notice filings showed increases over the previous year.

Throughout 2018, administrative actions resulted in \$612,000 in fines and over \$1 million in ordered restitution. The Enforcement Branch assisted with numerous criminal investigations, which resulted in three criminal indictments and 110 months of ordered imprisonment or probation. Enforcement continues to work jointly with other agencies and law enforcement authorities to ensure compliance with state and federal securities laws and regulations.

The Securities Division continues to focus on investor education by holding events throughout the state, such as the Senior Scam Jams and Dash for the Stash investor education contest.

## DIVISION OF SECURITIES

### COMPLIANCE BRANCH REPORT

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

Compliance Branch Examinations 31, 2018	Dec. 31, 2018	Dec. 31, 2017
Broker-Dealer Examinations	26	31
Investment Adviser Examinations	74	61
Total Examinations	100	98
Orders/Agreements Entered as a Result of Examination	5	9

# DIVISION OF SECURITIES

## LICENSING AND REGISTRATION BRANCH REPORTS

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

BROKER-DEALERS HEADQUARTERED IN KENTUCKY	
Name	City
ALEXANDER INVESTMENT SERVICES CO.	LOUISVILLE
CHURCHILL FINANCIAL LLC	LOUISVILLE
DUPREE & COMPANY INC.	LEXINGTON
FIRST KENTUCKY SECURITIES CORPORATION	LOUISVILLE
INVESTMENT BANK SERVICES INC.	LOUISVILLE
J.J.B. HILLIARD W.L. LYONS LLC	LOUISVILLE
JEFFERSON NATIONAL SECURITIES CORPORATION	LOUISVILLE
LEXINGTON INVESTMENT COMPANY INC.	LEXINGTON
NANCY BARRON AND ASSOCIATES INC.	LEXINGTON
PRIVATE CLIENT SERVICES LLC	LOUISVILLE
INVESTMENT ADVISORS HEADQUARTERED IN KENTUCKY	
Primary Business Name	Main City
80/20 WEALTH MANAGEMENT, LLC	CRESTWOOD
ACCREDITED WEALTH MANAGEMENT LLC	LOUISVILLE
ADVANTAGE INVESTMENT MANAGEMENT	LOUISVILLE
ARCHER FINANCIAL PLANNING, LLC	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
CANOPUS WEALTH MANAGEMENT	LOUISVILLE
CAPITAL INVESTMENT MANAGEMENT INC.	LEITCHFIELD
CASHEL FINANCIAL ADVISORS, LLC	LOUISVILLE
CHURCHILL FINANCIAL, LLC	LOUISVILLE
CIVITAS FINANCIAL	LOUISVILLE
CLARK FINANCIAL PLANNING	LOUISVILLE
CLEAR TRACE, LLC	PEWEE VALLEY
CLEARLEAF	LOUISVILLE

# DIVISION OF SECURITIES

## LICENSING AND REGISTRATION BRANCH REPORTS

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY	
Primary Business Name	Main City
COATS FINANCIAL PLANNING	LOUISVILLE
COCHRAN & ASSOCIATES, INC.	CRESTWOOD
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
DELTAONE 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
ENCOMPASS WEALTH MANAGEMENT, LLC	PRINCETON
FEDDERN FINANCIAL CONSULTING GROUP, LLC	LOUISVILLE
FEDERAL HILL CAPITAL MANAGEMENT	BARDSTOWN
FINANCIAL ARCHITECTS, INC	LOUISVILLE
FINANCIAL GRIT L.L.C.	BOWLING GREEN
FOCUS ON SUCCESS, LLC	FT. MITCHELL
FOSTER INVESTMENT SERVICES	LEXINGTON
FOX & COMPANY WEALTH MANAGEMENT	MAYFIELD
G J KOHLER INVESTMENT ADVISORS, LLC	PROSPECT
GC ASSET MANAGEMENT LLC	LOUISVILLE
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

# DIVISION OF SECURITIES

## LICENSING AND REGISTRATION BRANCH REPORTS

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY	
Primary Business Name	Main City
INTEGRA FINANCE LLC	LOUISVILLE
INVEST INC.	LEXINGTON
INVESTMENT ANSWERS	LOUISVILLE
INVESTMENT RESEARCH ADVISORY CORPORATION	LOUISVILLE
INVESTMENTS & FINANCIAL PLANNING, LLC	LEXINGTON
ITRUST ASSET MANAGEMENT, 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
LEXINGTON INVESTMENT COMPANY, INC.	LEXINGTON
LIFE ADVISORS FINANCIAL PLANNING AND WEALTH MGMT, LLC	MUNFORDVILLE
LIFETIME WEALTH DESIGN LLC	LOUISVILLE
LINKER CAPITAL MANAGEMENT INC	PROSPECT
LOCKSHIELD PARTNERS, INC.	GLASGOW
MACKEY ADVISORS	BELLEVUE
MACKHOUSE CAPITAL	LOUISVILLE
MAGNATE ADVISORY SERVICES, LLC	LOUISVILLE
MANN CAPITAL MANAGEMENT LLC	FLORENCE
MC FINANCIAL SERVICES, INC.	LOUISVILLE
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

# DIVISION OF SECURITIES

## LICENSING AND REGISTRATION BRANCH REPORTS

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY	
Primary Business Name	Main City
PANOPTIC FINANCIAL GROUP, LLC	SOMERSET
PATHWAY FINANCIAL SOLUTIONS INC	PROSPECT
PIERCE FINANCIAL PLANNING, INC	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
QUESTUSTRADING, 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
RRC WEALTH MANAGEMENT	LEXINGTON
SACHS INVESTMENT GROUP	LOUISVILLE
SCHOLAR FINANCIAL	BOWLING GREEN
SPRINGHOUSE FINANCIAL, LLC	LOUISVILLE
STRATEGIC WEALTH DESIGNERS, LLC	LOUISVILLE
STROMBERG INVESTMENT ADVISORS	GEORGETOWN
TACTICAL WEALTH MANAGEMENT	COVINGTON
TASHARI FINANCIAL GROUP, LLC	LEXINGTON
THE WRIGHT LEGACY GROUP, LLC	ELIZABETHTOWN
THOMAS M. ZALLA, PHD	FORT WRIGHT
THOMPSON INVESTMENT ADVISORS	LOUISVILLE
TKM FINANCIAL SERVICES, LLC	LOUISVILLE

# DIVISION OF SECURITIES

## LICENSING AND REGISTRATION BRANCH REPORTS

### INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY

Primary Business Name	Main City
TOWNSEND FINANCIAL PLANNING	MT. STERLING
WALKER FINANCIAL SERVICES, INC.	BOWLING GREEN
WEALTH MANAGEMENT ADVISORS, LLC	LEXINGTON
WEALTH MANAGEMENT OF KENTUCKY, INC.	LEXINGTON
WEALTH MANAGEMENT OF THE BLUEGRASS, LLC.	LEXINGTON
WINEBRENNER CAPITAL MANAGEMENT LLC	LOUISVILLE
WITTER & WESTLAKE INVESTMENTS	LOUISVILLE
WRENNE FINANCIAL PLANNING LLC	LEXINGTON
YOUR BEST MOVE INC	BARDSTOWN
YOUR NEXT STEPS, LLC	GEORGETOWN

	Dec. 31, 2018	Dec. 31, 2017
<b>BROKER-DEALER REGISTRATIONS</b>		
Renewed	1,434	1,445
Approved	11	77
Withdrawals (Form BDW)	6	80
Total Registered (Year-End)	1,421	1,434*
<b>BROKER-DEALER AGENT REGISTRATIONS</b>		
Renewed	123,714	119,724
Approved	25,861	-
Terminated	23,332	-
Total Registered (Year-End)	126,243	123,714*
<b>ISSUER AGENT REGISTRATIONS</b>		
Renewed	13	19
Approved	1	0
Terminated	4	6
Total Registered (Year-End)	10	13
<b>STATE INVESTMENT ADVISERS</b>		
Renewed	190	182
Total Registered (Year-End)	181*	190*
<b>FEDERAL COVERED INVESTMENT ADVISERS</b>		
Renewed	1,110	1,066
Total Effective Notice Filings (Year-End)	1,154*	1,110*
<b>INVESTMENT ADVISER REPRESENTATIVES (IAR)</b>		
Renewed	5,653	5,535
Total State and Federal IARs (Year-End)	5,857*	5,653*

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

# DIVISION OF SECURITIES

## 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 general public about the requirements for selling securities in Kentucky.

REGISTRATIONS	Dec. 31, 2018	Dec. 31, 2017
Private Placement Securities Offerings	40	12
<b>NOTICE FILINGS</b>		
Investment Companies - New	360	393
Investment Companies - Renewals	3,395	4,050
Unit Investment Trusts	1,391	1,388
Regulation D, Rule 506 Offerings	704	450
<b>EXEMPTIONS</b>		
Claims of Exemption Requested	55	51
Total Filings	6,485	6,344

## 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 out-side law enforcement agencies and collaborate with securities investigators from other states. Cases are referred by the division to state and federal authorities for criminal prosecution.

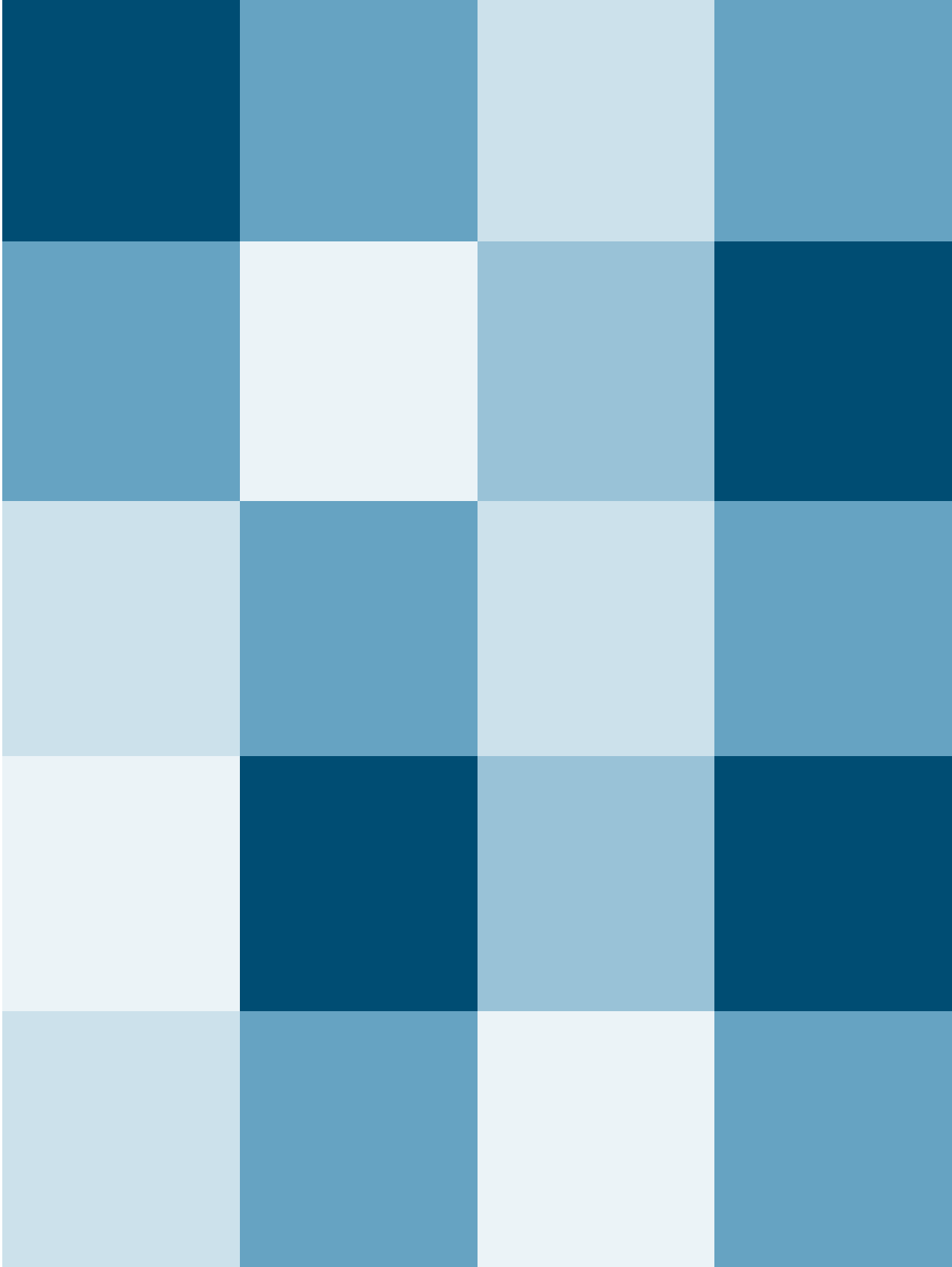
INVESTIGATIONS	Dec. 31, 2018	Dec. 31, 2017
Referrals/Assistance to Outside Agency	7	3
Referrals from Outside Agency	13	10
Investigations Opened	21	17
Investigations Closed	11	30
Investigations Pending	38	28
<b>ENFORCEMENT ACTIONS</b>		
Administrative Orders	10	15
Civil Orders	0	3
Fines	\$612,000	\$2,760,848
Restitutions to Client (Ordered)	\$1,125,000	\$902,607
<b>Criminal Actions</b>		
Criminal Referrals	3	2
Criminal Indictments	3	2
Investigations with Federal/State Law Enforcement Authorities	5	6

### CRIMINAL SENTENCINGS IN 2018:

Clay Shelton – 50 months imprisonment, 36 months supervised release

Thomas Lewis — 60 months suspended, 60 months probation

# Kentucky Department of Financial Institutions



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