



2015 Annual Report

Kentucky Department of Financial Institutions

Supervising Kentucky's Financial Industry for 103 Years



DEPARTMENT OF FINANCIAL INSTITUTIONS

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In 2015, the Kentucky Department of Financial Institutions (DFI) supervised:

10 DEPOSITORY DIVISION - BANK BRANCH

137 State-chartered banks with assets from \$22 million to \$4.2 billion.

18 DEPOSITORY DIVISION - CREDIT UNION BRANCH

25 State-chartered credit unions with assets from \$666,000 to \$1.03 billion.

22 NONDEPOSITORY DIVISION

6,878 Loan originators/processors
1,129 Mortgage companies/brokers
532 Check cashers/payday lenders
376 Consumer loan companies
30 Industrial loan companies
83 Money transmitters

25 SECURITIES DIVISION

1,473 Broker-dealers
180 State investment advisers



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Matthew G. Bevin, Governor



David Dickerson, Secretary
Charles Vice, Commissioner

PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS

Dear Gov. Matthew G. Bevin,

As commissioner of the Kentucky Department of Financial Institutions (DFI), I am very proud of our staff's accomplishments this year. As a result of the hard work and dedication of our employees, DFI is pleased to present its achievements in the 2015 Annual Report. This report confirms that DFI provides strong consumer protections for residents using financial services, while at the same time providing a sensible regulatory environment for financial service providers. Financial service companies continue to successfully address the challenges facing the industry – such as information technology changes, cybersecurity threats, increased federal regulations, and modest economic growth.

Kentucky state-chartered banks and credit unions continue to maintain strong capital levels compared to contiguous states and the national average for state-chartered institutions. While the low interest rate environment has compressed the net interest margin, depository institutions have been able to maintain earnings through improved asset quality and more efficient operations. One concerning trend is consolidation in the banking industry, which resulted in the number of state-chartered banks declining from 147 in 2014 to 137 as of year-end 2015.

The Nondepository Division oversees a very broad service market, and is responsible for 2,150 licensed entities. During 2015, the Division conducted 1,133 regulatory examinations. To make the examination process more efficient, new examination procedures were implemented regarding the mortgage industry. Previously, each branch of a mortgage company was examined independently. Now, DFI examiners review the activity for all locations of a company during a single examination of the main office, with branch locations examined on an as-needed basis.

The Securities Division provides sound regulatory oversight of investment activities and encourages capital formation for future economic growth. In 2015, the Securities Division conducted 119 examinations and 38 investigations which resulted in 12 administrative orders. The excellent work of our employees resulted in restitution to consumers totaling over \$8 million in 2015. DFI works closely with law enforcement agencies to address fraud, stop illegal securities activities, and seek restitution for investors who have been harmed.

Part of DFI's mission is to provide effective and efficient regulatory oversight. To help accomplish this, DFI hosted several industry meetings in 2015: a Town Hall Meeting in Lexington to gather input on issues from leaders of state-chartered banks; a Director's College in Louisville for credit union leaders; Town Hall Meetings in Frankfort for deferred deposit companies; and a regulatory update in for Louisville for a brokerage firm. Furthermore, the DFI provided and participated in numerous investor education events to help Kentucky residents save, spend, and invest wisely.

Sincerely,

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





DEPARTMENT OF FINANCIAL INSTITUTIONS

Commissioners 1912-2015

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	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 G. Bevin

* Title was Executive Director from 2004-2007



DEPARTMENT OF FINANCIAL INSTITUTIONS

Mission, Values, Vision

VALUES

Effective and Efficient

Operation

We will wisely use the resources entrusted to us by the Commonwealth to ensure maximum output is achieved for each dollar invested.

Responsibility

We accept the serious nature of the tasks (or 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.

MISSION STATEMENT

DFT's mission is to serve Kentucky residents by maintaining a stable financial industry continuing effective and 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 investing, depositing, and borrowing 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.



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 consists of representatives of all segments of Kentucky's financial industry and the public at large and is chaired by the commissioner. The board's duties are defined in KRS 286.1-013.



Left to right: Karen Harbin; Joe Roberts; Marty Hammons, DFI Deputy Commissioner; Branden Gross; Charles Vice; Bill Tatum; Mike Wilson; Jerry Pyle; Charles Beach; Gary Traughber; Dale Sights.

BANKING INDUSTRY

Mike D. Wilson
Irvine
Term Expires 10/10/16
Citizens Guaranty Bank

Dorsey G. Hall
Lexington
Term Expires 10/10/16
South Central Bank

Gary M. Traughber
Elkton
Term Expires
10/10/16
Elkton Bank and Trust Company

J. Dale Sights
Henderson
Term Expires 10/10/15
Bank of Henderson

Charles Beach III
Beattyville
Term Expires 10/10/15
Peoples Exchange Bank

PUBLIC AT LARGE

Bill L. Tatum Jr.
Lebanon
Term Expires 10/10/17
Peoples Bank of Lebanon

David S. Beck
Louisville
Term Expires 10/10/15
Kentucky Farm Bureau Federation

P. Branden Gross
Lexington
Term Expires 10/10/17
Morgan & Pottinger, P.S.C.

CREDIT UNION

Karen Conyers Harbin
Frankfort
Term Expires 10/10/18
Commonwealth Credit Union

CONSUMER FINANCE

Jerry D. Pyle
Crofton
Term Expires 10/10/18
Hometown Finance Company Inc.

SECURITIES

Joe P. Roberts
Richmond
Term Expires 10/10/15
Roberts Insurance and Investments

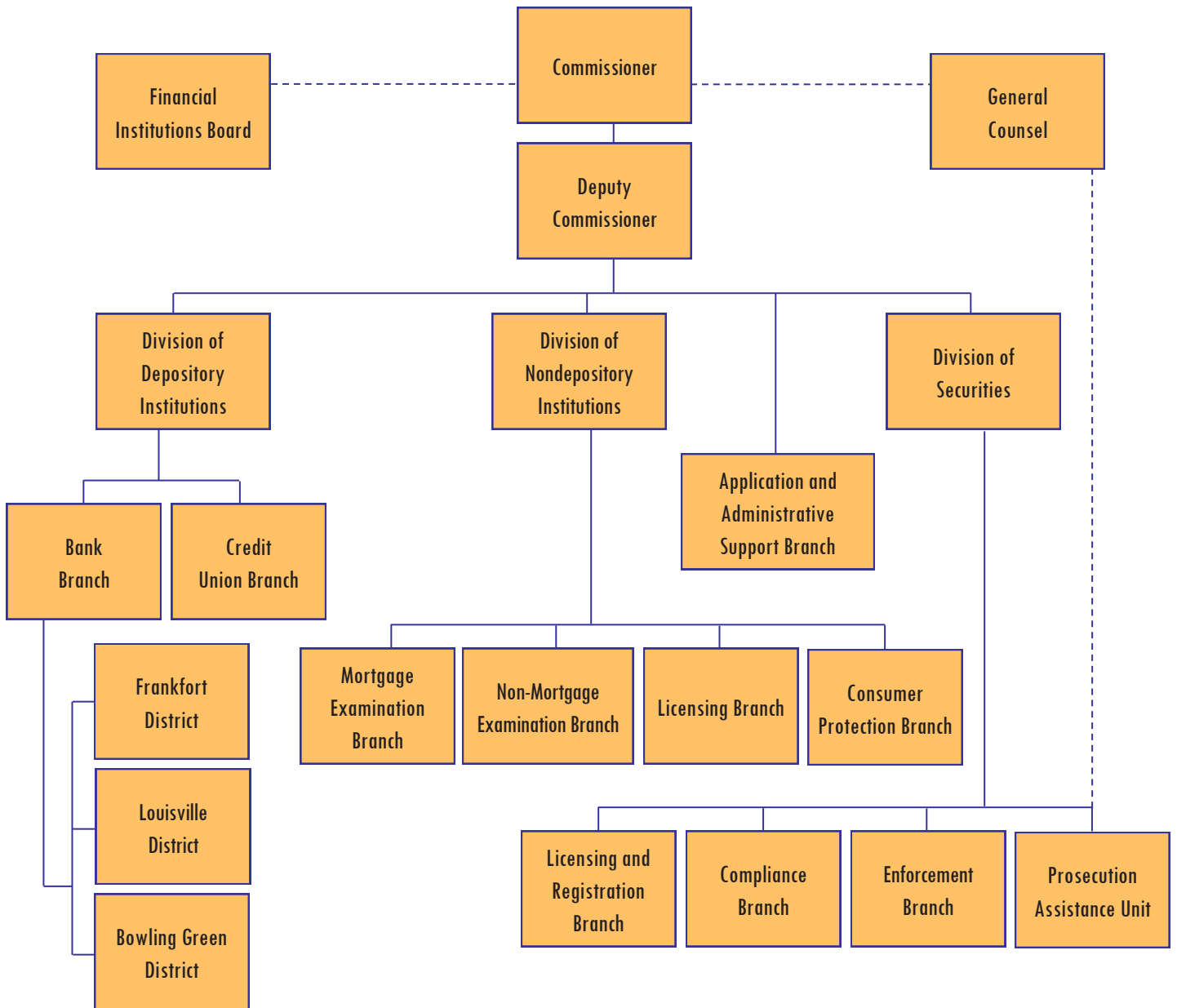
CHAIRMAN - DFI COMMISSIONER

Charles A. Vice



DEPARTMENT OF FINANCIAL INSTITUTIONS

Organizational Structure





DEPARTMENT OF FINANCIAL INSTITUTIONS

History

DFI traces its origin to the Banking Act of 1912, which established the agency initially as the Department of Banking. Gov. James B. McCreary appointed Thomas J. Smith as the first commissioner, effective July 1, 1912. 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. The next year, as the Great Depression continued, the Federal Deposit Insurance Corporation was created. In 1933, Kentucky bank closures reached an all-time high when 23 state banks failed.

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 over the years to include other types of financial institutions, its organizational structure and name changed as well, from the Department of Financial Institutions in 1984 to the Office of Financial Institutions in 2004. The name was changed back to Department of Financial Institutions with a cabinet reorganization in 2008.



DEPARTMENT OF FINANCIAL INSTITUTIONS

Application and 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 office and district offices
- Fiscal management
- Operations and quality control
- Safety officer
- Budgeting
- Revenue and expenditure analysis
- Personnel

In 2015, the Application and Administrative Support Branch continued to focus on providing the necessary tools for the department to meet its mission. This includes recruiting new staff and retaining qualified employees to maintain uninterrupted delivery of services to the industry and public.

As it has for many years, the department maintains a toll-free telephone number. Consumers and industry representatives wanting to speak with a member of the agency's staff may call 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 our office located at 1025 Capital Center Drive, Suite 200, Frankfort, KY 40601.



DEPARTMENT OF FINANCIAL INSTITUTIONS

Division of Depository Institutions

BANK BRANCH 103RD Annual Banking Report

As of year-end 2015, the Bank Branch was responsible for the supervision of 137 state-chartered banks with aggregate assets of more than \$48 billion. More than half of state-regulated banks report total assets of less than \$250 million, with the smallest institution holding assets of \$22 million and the largest institution holding assets of \$4.2 billion. On average, Kentucky state-chartered banks continue to recognize improving asset quality, which benefitted financial metrics in 2015.

Since the end of the most recent recession, banks nationwide have worked diligently to resolve problem assets. For Kentucky state-chartered banks, improving trends in this area are evidenced by the continuing reduction in the levels of net charge-offs and noncurrent loans. The ratio of net charge-offs to total loans declined from 0.30 percent as of Dec. 31, 2014, to 0.18 percent as of Dec. 31, 2015. Similarly, the ratio of noncurrent loans and leases to total loans and leases declined from 1.46 percent to 1.10 percent; this ratio has declined steadily year-over-year since it reached a peak at 2.43 percent in 2011.

While state-chartered banks experienced further Net Interest Margin compression on average throughout 2015, net income increased largely due to declining provision and noninterest expenses. As of Dec. 31, 2015, the average Return on Assets increased by 10 basis points over the prior year-end to 1.05 percent. Further, the percent of unprofitable state-chartered banks declined from 5.44 percent to 2.92 percent over the same timeframe. Improved earnings and managed asset growth promoted an increase in the average leverage capital ratio, which was 10.83 percent as of Dec. 31, 2015, for state-chartered banks.

BANK PERFORMANCE COMPARISON

	Net Interest Margin	Return on Assets	Tier 1 Leverage Ratio
Kentucky	3.71	1.05	10.83
Illinois	2.37	0.95	8.54
Indiana	3.56	1.12	10.21
Missouri	3.37	1.08	9.70
Ohio	3.16	1.21	10.43
Tennessee	3.86	1.12	10.01
Virginia	3.66	1.03	10.36
West Virginia	3.53	0.93	9.90
National	3.20	1.07	10.13

Chart includes information for state-chartered commercial banks only as of Dec. 31, 2015.
Information obtained from: <https://www5.fdic.gov/qbp/qbpSelect.asp?menuItem=STBL>



STATE-CHARTERED BANKS

Consolidated Condition and Income Data

	Dec. 31, 2015	Dec. 31, 2014
Number of institutions reporting	137	147
Total employees (full-time equivalent)	11,565	12,136

AGGREGATE CONDITION AND INCOME DATA *(Dollar amounts in millions)*

Net income (year-to-date)	492	456
Total assets	48,046	49,107
Earning assets	44,681	45,385
Total loans & leases	32,387	32,839
Other real estate owned	173	276
Total deposits	38,345	39,244
Equity capital	5,345	5,470

PERFORMANCE RATIOS (YTD, %)

Yield on earning assets	4.16	4.26
Cost of funding earning assets	0.45	0.51
Net interest margin	3.71	3.75
Noninterest income to average earning assets	1.02	1.01
Noninterest expense to average earning assets	3.27	3.35
Net charge-offs to loans and leases	0.18	0.3
Credit-loss provision to net charge-offs	65.27	65.93
Net operating income to average assets	1.03	0.93
Retained earnings to average equity	4.12	4.17
Pre-tax return on assets	1.28	1.19
Return on assets	1.05	0.95
Return on equity	9.38	8.61
Percent of unprofitable institutions	2.92	5.44
Percent of institutions with earning gains	59.85	61.9

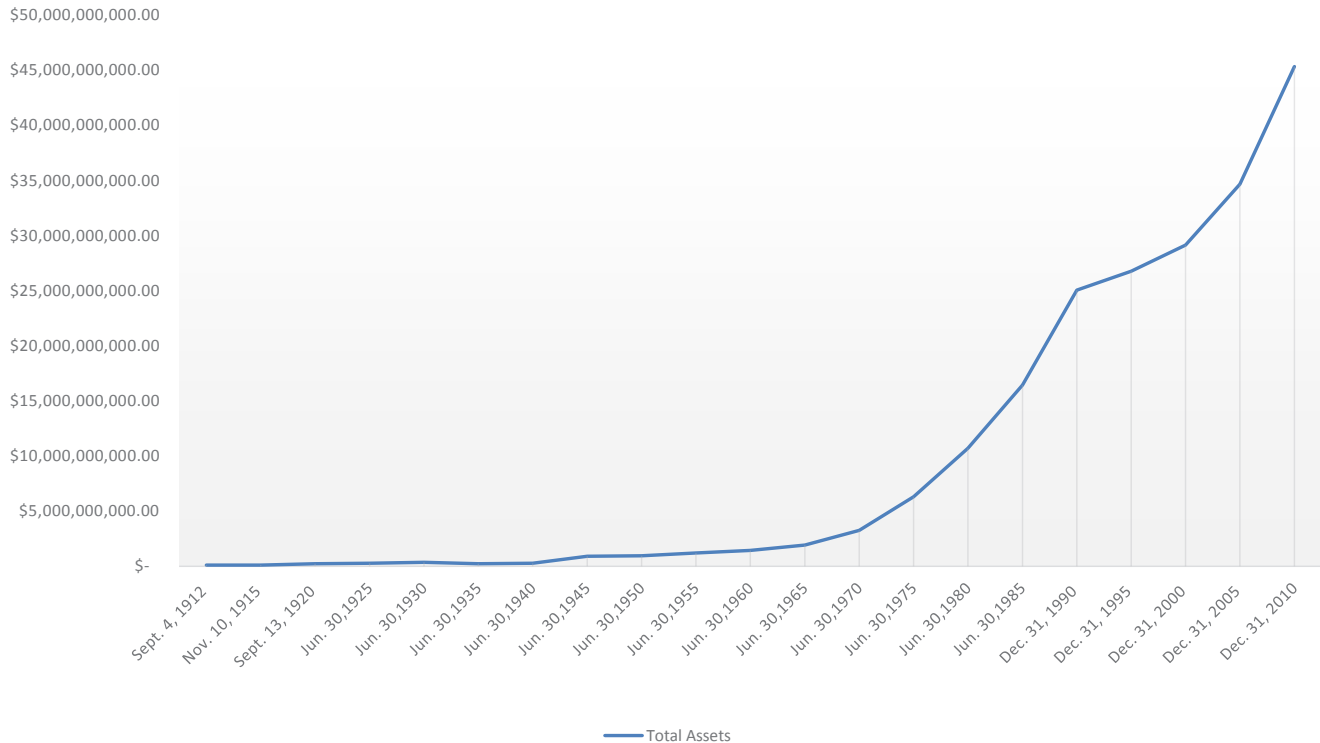
CONDITION RATIOS (%)

Net loans and leases to assets	66.49	65.94
Loss allowance to:		
Loans and leases	1.27	1.39
Noncurrent loans and leases	114.80	94.84
Noncurrent loans and leases to total loans and leases	1.10	1.46
Nonperforming assets to assets	1.11	1.55
Core deposits to total liabilities	76.13	75.65
Equity capital to total assets	11.11	11.14
Core capital (leverage) ratio	10.83	10.71
Total capital to risk-weighted assets	16.17	16.46
Gross 1-4 family mortgages to gross assets	24.62	24.17
Gross real estate assets to gross assets	61.35	62.49



STATE-CHARTERED BANKS

Annual Consolidated Statement of Assets



STATE-CHARTERED BANKS AND THRIFTS

Bank Changes

1/1/2015

South Central Bank of Bowling Green Inc., Bowling Green, Ky., merged into South Central Bank Inc., Glasgow, Ky.

South Central Bank of Hardin County Inc., Elizabethtown, Ky., merged into South Central Bank Inc., Glasgow, Ky.

South Central Bank of Davies County Inc., Owensboro, Ky., merged into South Central Bank Inc., Glasgow, Ky.

South Central Bank of Monroe County Inc., Tompkinsville, Ky., merged into South Central Bank Inc., Glasgow, Ky.

1/23/2015

First Federal Savings Bank, Elizabethtown, Ky., merged into Your Community Bank, New Albany, Ind.

1/24/2015

Ohio Valley Bank Inc., Henderson, Ky., and BankTrust Financial, Henderson, Ky., merged. The bank then changed its name to Field & Main Bank Inc.

4/1/2015

Kentucky Home Bank Inc., Bardstown, Ky., merged into the Lincoln National Bank of Hodgenville, Hodgenville, Ky.

6/20/2015

The Bank of Kentucky Inc., Crestview Hills, Ky., merged into BB&T Bank, Winston Salem, N.C.

7/24/2015

Madison Bank, Richmond, Ky., merged into Kentucky Bank, Paris, Ky.

12/5/2015

The Peoples Bank of Bullitt County, Shepherdsville, Ky., merged with First Harrison Bank, Corydon, Ind.



STATE-CHARTERED BANKS AND THRIFTS

Total Assets

INSTITUTION NAME	CITY	TOTAL ASSETS
1st Trust Bank Inc.	Hazard	204,562,000
American Bank & Trust Company Inc.	Bowling Green	310,655,000
American Founders Bank Inc.	Louisville	96,918,000
Auburn Banking Company	Auburn	73,343,000
Bank of Buffalo	Buffalo	74,755,000
Bank of Cadiz and Trust Company	Cadiz	107,848,000
Bank of Caneyville	Caneyville	49,005,000
Bank of Clarkson	Clarkson	111,845,000
Bank of Columbia	Columbia	128,402,000
Bank of Edmonson County	Brownsville	210,036,000
Bank of Hindman	Hindman	187,945,000
Bank of Jamestown	Jamestown	173,553,000
Bank of Lexington Inc.	Lexington	245,139,000
Bank of Maysville	Maysville	122,620,000
Bank of Ohio County Inc.	Beaver Dam	94,454,000
Bank of the Bluegrass and Trust Company	Lexington	223,082,000
Bank of the Mountains Inc.	West Liberty	68,727,000
Bedford Loan & Deposit Bank	Bedford	88,188,000
Bluegrass Community Bank	Danville	73,468,000
Central Bank & Trust Company	Lexington	2,033,424,000
Central Bank of Jefferson County	Louisville	179,200,000
Century Bank of Kentucky Inc.	Lawrenceburg	115,304,000
Citizens Bank	Hartford	30,620,000
Citizens Bank	Mount Vernon	145,074,000
Citizens Bank & Trust Company of Jackson	Jackson	152,360,000
Citizens Bank & Trust Company	Campbellsville	210,922,000
Citizens Bank of Cumberland County Inc.	Burkesville	71,310,000
Citizens Bank of Northern Kentucky Inc.	Newport	245,188,000
Citizens Deposit Bank & Trust	Vanceburg	389,450,000
Citizens Deposit Bank of Arlington Inc.	Arlington	192,294,000
Citizens First Bank Inc.	Bowling Green	432,118,000
Citizens Guaranty Bank	Richmond	152,045,000
Citizens Union Bank of Shelbyville	Shelbyville	556,787,000
Clinton Bank	Clinton	61,957,000
Commercial Bank	West Liberty	139,527,000
Commonwealth Bank and Trust Company	Louisville	889,634,000
Commonwealth Community Bank Inc.	Hartford	148,052,000
Community Financial Services Bank	Benton	825,331,000
Community Trust Bank Inc.	Pikeville	3,881,833,000
Cumberland Security Bank Inc.	Somerset	177,155,000
Dixon Bank	Dixon	88,529,000
Eclipse Bank Inc.	Louisville	138,758,000
Edmonton State Bank	Glasgow	464,133,000
Elkton Bank & Trust Company	Elkton	132,876,000
Farmers & Traders Bank of Campton	Campton	50,865,000
Farmers Bank & Capital Trust Company	Frankfort	685,180,000



STATE-CHARTERED BANKS AND THRIFTS

Total Assets

INSTITUTION NAME	CITY	TOTAL ASSETS
Farmers Bank and Trust Company	Marion	143,148,000
Farmers Bank and Trust Company	Princeton	119,976,000
Farmers Deposit Bank	Carlisle	131,483,000
Farmers Deposit Bank of Middleburg Inc.	Middleburg	46,580,000
Farmers State Bank	Booneville	49,704,000
Field & Main Bank	Henderson	403,557,000
First & Peoples Bank and Trust Company	Russell	203,151,000
First Citizens Bank	Elizabethtown	314,443,000
First Community Bank of the Heartland Inc.	Clinton	193,747,000
First Farmers Bank and Trust Company	Owenton	118,327,000
First Guaranty Bank	Martin	52,210,000
First Kentucky Bank Inc.	Mayfield	390,805,000
First Security Bank	Owensboro	592,720,000
First State Bank	Irvington	167,275,000
First State Bank Inc.	Central City	108,401,000
First State Financial Inc.	Middlesboro	340,136,000
First United Bank and Trust Company	Madisonville	207,082,000
FNB Bank Inc.	Mayfield	434,519,000
Franklin Bank & Trust Company	Franklin	417,333,000
Fredonia Valley Bank	Fredonia	79,152,000
Hancock Bank & Trust Company	Hawesville	274,676,000
Hart County Bank and Trust Company	Munfordville	27,575,000
Heritage Bank USA Inc.	Hopkinsville	900,590,000
Heritage Bank Inc.	Erlanger	596,256,000
Home Federal Bank Corporation	Middlesboro	345,122,000
Hometown Bank of Corbin Inc.	Corbin	145,640,000
Hyden Citizens Bank	Hyden	129,582,000
Independence Bank of Kentucky	Owensboro	1,813,634,000
Inez Deposit Bank	Inez	156,501,000
Jackson County Bank	McKee	129,685,000
Kentucky Bank	Paris	971,281,000
Kentucky Farmers Bank Corporation	Catlettsburg	179,827,000
Kentucky Neighborhood Bank	Elizabethtown	134,589,000
King Southern Bank	Chaplin	174,083,000
Leitchfield Deposit Bank & Trust Company	Leitchfield	120,702,000
Lewisburg Banking Company	Lewisburg	113,665,000
Louisa Community Bank	Louisa	32,218,000
Magnolia Bank Inc.	Magnolia	180,082,000
Meade County Bank	Brandenburg	187,005,000
Metro Bank	Louisville	30,990,000
Morgantown Bank & Trust Company Inc.	Morgantown	167,586,000
Owingsville Banking Company	Owingsville	61,689,000
PBI Bank	Louisville	948,072,000
PBK BANK INC.	Stanford	108,460,000
Peoples Bank	Lebanon	53,673,000
Peoples Bank & Trust Company	Owenton	55,660,000



STATE-CHARTERED BANKS AND THRIFTS

Total Assets

INSTITUTION NAME	CITY	TOTAL ASSETS
Peoples Bank & Trust Company of Hazard	Hazard	277,658,000
Peoples Bank and Trust Company of Clinton County	Albany	33,408,000
Peoples Bank and Trust Company of Madison County	Berea	395,463,000
Peoples Bank of Kentucky Inc.	Flemingsburg	271,484,000
Peoples Exchange Bank	Winchester	339,059,000
Pinnacle Bank Inc.	Vanceburg	50,855,000
Planters Bank Inc.	Hopkinsville	906,831,000
Republic Bank & Trust Company	Louisville	4,222,641,000
River City Bank Inc.	Louisville	258,773,000
Sebree Deposit Bank	Sebree	21,795,000
Security Bank and Trust Company	Maysville	49,956,000
South Central Bank Inc.	Glasgow	934,771,000
Springfield State Bank	Springfield	296,438,000
Stock Yards Bank & Trust Company	Louisville	2,814,028,000
Taylor County Bank	Campbellsville	177,832,000
The Bank of Harlan	Harlan	139,373,000
The Bankers' Bank of Kentucky Inc.	Frankfort	86,428,000
The Casey County Bank Inc.	Liberty	176,696,000
The Cecilian Bank	Cecilia	614,837,000
The Citizens Bank	Hickman	112,855,000
The Citizens Bank	Morehead	131,687,000
The Commercial Bank of Grayson	Grayson	174,650,000
The Farmers Bank	Hardinsburg	110,985,000
The Farmers Bank	Nicholasville	124,222,000
The Farmers Bank of Milton	Milton	221,741,000
The First Capital Bank of Kentucky	Louisville	505,015,000
The First Commonwealth Bank of Prestonsburg Inc.	Prestonsburg	303,748,000
The Monticello Banking Company	Monticello	560,028,000
The Paducah Bank and Trust Company	Paducah	577,199,000
The Peoples Bank	Marion	38,181,000
The Peoples Bank	Mount Washington	81,373,000
The Peoples Bank	Taylorsville	113,306,000
The Sacramento Deposit Bank	Sacramento	70,028,000
Town & Country Bank and Trust Company	Bardstown	274,188,000
Traditional Bank Inc.	Mount Sterling	1,233,987,000
United Bank & Trust Company	Versailles	514,556,000
United Citizens Bank & Trust Company	Campbellsburg	107,656,000
United Citizens Bank of Southern Kentucky	Columbia	136,142,000
United Community Bank of West Kentucky Inc.	Morganfield	226,627,000
United Cumberland Bank	Whitley City	278,071,000
United Southern Bank	Hopkinsville	266,094,000
West Point Bank	Radcliff	178,906,000
Whitaker Bank	Lexington	1,376,134,000
Wilson & Muir Bank & Trust Company	Bardstown	473,455,000

TOTAL \$48,046,223,000



STATE-CHARTERED BANK TRUST DEPARTMENTS

Trust Assets

Dollar amounts in thousands with the 000s omitted

INSTITUTION NAME	CITY	TOTAL ASSETS
Bank of Cadiz and Trust Company	Cadiz	8,477
Bank of Maysville	Maysville	20,802
Bank of the Bluegrass and Trust Company	Lexington	171,252
Central Bank & Trust Company	Lexington	1,289,099
Citizens Bank & Trust Company of Jackson	Jackson	7,561
Citizens Bank of Northern Kentucky Inc.	Newport	38,454
Citizens Union Bank of Shelbyville	Shelbyville	402
Clinton Bank	Clinton	3,119
Commonwealth Bank and Trust Company	Louisville	1,315,457
Commonwealth Community Bank Inc.	Hartford	16,311
Community Trust Bank Inc.	Pikeville	13,422
Cumberland Security Bank Inc.	Somerset	17,781
Elkton Bank & Trust Company	Elkton	8,363
Farmers Bank & Capital Trust Company	Frankfort	288,282
Farmers Bank and Trust Company, Princeton, Ky.	Princeton	17,621
Field & Main Bank	Henderson	370,974
First & Peoples Bank and Trust Company	Russell	35,453
First Citizens Bank	Elizabethtown	155,286
First State Bank Inc.	Central City	1,239
First United Bank and Trust Company	Madisonville	21,297
Franklin Bank & Trust Company	Franklin	97,031
Hancock Bank & Trust Company	Hawesville	3,210
Hart County Bank and Trust Company	Munfordville	1,654
Independence Bank of Kentucky	Owensboro	441,217
Kentucky Bank	Paris	166,893
Kentucky Farmers Bank Corporation	Catlettsburg	90,992
Morgantown Bank & Trust Company Inc.	Morgantown	3,575
Peoples Bank & Trust Company	Owenton	1,219
Peoples Bank & Trust Company of Hazard	Hazard	4,692
Peoples Bank of Kentucky Inc.	Flemingsburg	5,224
Planters Bank Inc.	Hopkinsville	135,162
Republic Bank & Trust Company	Louisville	143,524
Stock Yards Bank & Trust Company	Louisville	2,203,032
The Citizens Bank	Hickman	7,662
The Monticello Banking Company	Monticello	37,578
The Paducah Bank and Trust Company	Paducah	256,316
Town & Country Bank and Trust Company	Bardstown	350,350
United Community Bank of West Kentucky Inc.	Morganfield	10,032
Whitaker Bank	Lexington	450,205
Wilson & Muir Bank & Trust Company	Bardstown	155

TOTAL \$8,210,375



STATE-CHARTERED INDEPENDENT TRUST COMPANIES

Total Assets

Dollar amounts in thousands with the 000s omitted

INSTITUTION NAME

Community Trust and Investment Company
First Kentucky Trust Company
Hilliard Lyons Trust Company LLC
The Glenview Trust Company

CITY

Lexington
Louisville
Louisville
Louisville

TOTAL ASSETS

23,562
4,035
35,976
7,437

TOTAL \$16,003,423



DEPARTMENT OF FINANCIAL INSTITUTIONS

Employee Recognitions



DFI examiners who earned their certification in 2015 (left to right): Clarke Goucher, Camille Moore, William Milberger, Patty Pennington, and Jesse Vaughn.



25+ Years of Service (left to right): Jeff Parman and Kim Goodwin (with Deputy Commissioner Marty Hammons).



20+ Years of Service (left to right): Christy Thigpen, Pam Fitzgerald, Denise Schnieders, Rhonda Paul, and Marty Hammons.



15+ Years of Service (left to right): Chad Harlan, Gary Davis, Rebecca Arthur, Zach Rudd, Jackie Little, Ken Campbell, Kelly McKenzie, and Brian Raley (with Deputy Commissioner Marty Hammons).



10+ Years of Service (left to right): Bryan Calhoun, Jason Woolery, Eric McFarland, Brad Johnson, Kim Carter, Amber Skirvin, Anthony Murphy, and Stephanie Norwood (with Deputy Commissioner Marty Hammons). Not pictured: Kelly Childers and Rhonda Hardesty.



DEPARTMENT OF FINANCIAL INSTITUTIONS

Division of Depository Institutions

CREDIT UNION BRANCH 81st Annual Credit Union Report

The Credit Union Branch supervises 25 Kentucky state-chartered credit unions. These credit unions serve members from an array of businesses, organizations, and communities within the Commonwealth. They continue to provide specialized services and the latest technologies to meet their memberships' needs. These technologies require substantial resources and a robust information security program. Sustaining a comprehensive information security program and protecting member information from new and evolving cyber threats are ongoing challenges for the industry.

The total assets of these institutions range from \$666,000 to \$1,032,000,000 as of Dec. 31, 2015. Kentucky-chartered credit unions report sound financial metrics overall. The average Net Interest Margin and Return on Average Assets for these institutions are 3.31 percent and 0.73 percent, respectively, for 2015 and are comparable to the averages from 2014. Although credit unions continue to struggle to maintain strong asset yields without taking on excessive interest rate risk, improved fee income has lessened the impact of the declining yields on earnings. Net worth levels remain strong and average more than 12 percent of total assets. Kentucky state-chartered credit unions compare favorably to surrounding states and exceed the national average net worth to total assets ratio and the Net Interest Margin.

CREDIT UNION PERFORMANCE COMPARISON

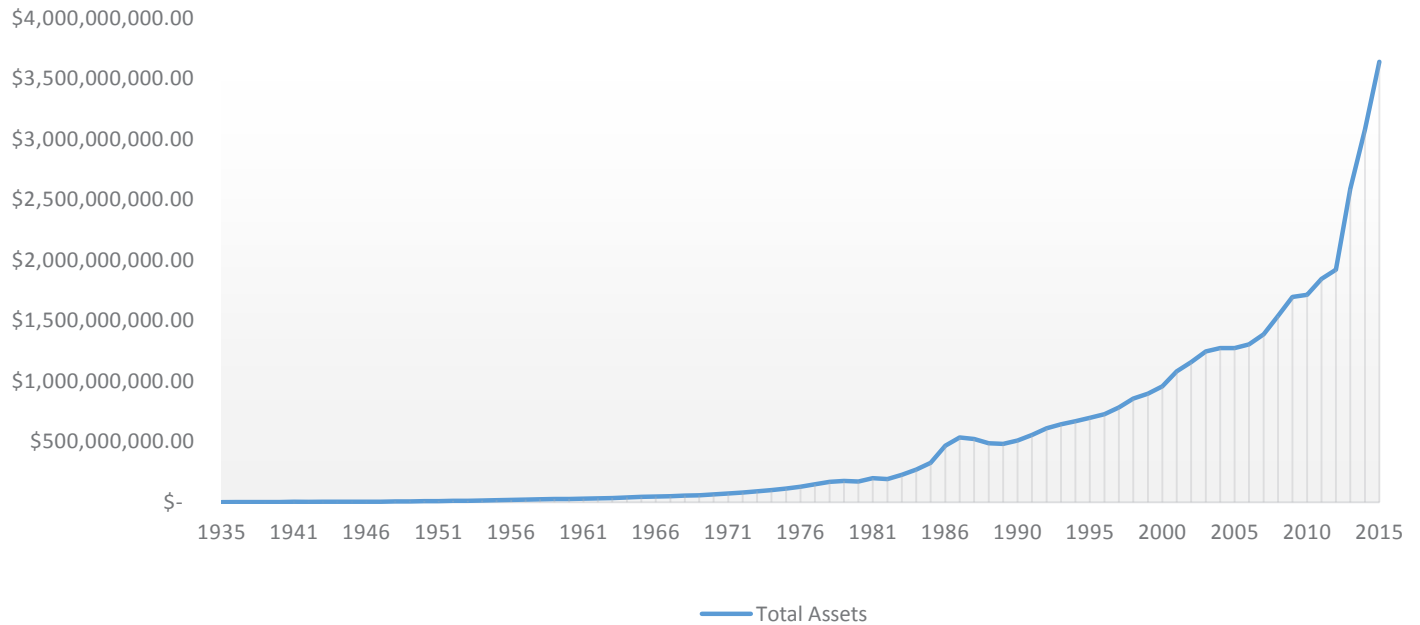
	Net Worth to Total Assets	Return on Assets	Net Interest Margin	Number of Credit Unions
Kentucky	12.70	0.73	3.31	25
Illinois	10.73	0.58	2.46	201
Indiana	10.54	0.60	2.49	26
Missouri	10.55	0.54	2.85	112
Ohio	11.39	0.75	2.78	90
Tennessee	12.90	0.83	2.85	87
Virginia	10.96	0.67	3.03	34
West Virginia	10.50	1.09	2.80	4
National	10.90	0.76	2.78	2257

Above information for state-chartered credit unions only as of Dec. 31, 2015, sourced from <http://fpr.ncua.gov/>.



STATE-CHARTERED CREDIT UNIONS

Annual Consolidated Statement of Assets



STATE-CHARTERED CREDIT UNIONS

Credit Union Changes

9/1/2015

Louisville Medical Federal Credit Union, Louisville, Ky., merged with and into Park Community Credit Union Inc., Louisville, Ky.

12/10/2015

Kentucky Telco Credit Union, Louisville, Ky., converted to a Kentucky charter.



Credit union leaders heard from speakers on national issues at the Director's College in Louisville in April 2015. The event was co-hosted by DFI and the National Association of State Credit Union Supervisors.



STATE-CHARTERED CREDIT UNIONS

Selected Composite Operating Ratios

	Dec. 31, 2015	Dec. 31, 2014
CAPITAL ADEQUACY		
Net Worth/Total Assets	12.70	14.06
Total Delinquent Loans / Net Worth	3.70	3.82
Solvency Evaluation (Estimated)	114.48	116.09
Classified Assets (Estimated) / Net Worth	4.10	3.87
ASSET QUALITY		
Delinquent Loans / Total Loans	0.73	0.87
Net Charge-Offs / Average Loans	0.70	0.68
Fair (Market) Value/Book Value of Held to Maturity Investments	104.98	100.04
Accumulated Unrealized Gain or Loss on Available for Sale / Cost of Available for Sale	-1.13	-1.08
Delinquent Loans / Assets	0.47	0.54
EARNINGS		
Return On Average Assets	0.73	0.74
Gross Income/Average Assets	5.42	5.41
Yield on Average Loans	5.43	5.65
Yield on Average Investments	1.18	1.23
Fee & Other Operating Income / Average Assets	1.64	1.55
Cost of Funds / Average Assets	0.48	0.48
Net Margin / Average Assets	4.95	4.92
Operating Expenses/ Average Assets	3.81	3.76
Provision For Loan and Lease Losses / Average Assets	0.46	0.45
Net Interest Margin/ Average Assets	3.31	3.37
Operating Expenses/Gross Income	70.18	69.58
Fixed Assets and Foreclosed and Repossessed Assets / Total Assets	2.82	2.76
Net Operating Expenses / Average Assets	2.95	2.93
ASSET / LIABILITY MANAGEMENT		
Net Long-Term Assets / Total Assets	27.09	29.79
Regular Shares / Total Shares and Borrowings	46.48	45.55
Total Loans / Total Shares	75.83	72.80
Total Loans / Total Assets	64.71	61.77
Cash + Short-Term Investments / Assets	12.90	11.24
Total Shares, Deposits and Borrowings / Earning Assets	92.08	92.98
Regular Shares + Share Drafts / Total Shares and Borrowings	60.15	57.98
Borrowings / Total Shares and Net Worth	0.66	0.87
PRODUCTIVITY		
Members / Potential Members	3.06	3.08
Borrowers / Members	52.91	53.42
Members / Full-Time Employees	408	388
Average Shares Per Member	\$7,736	\$7,682
Average Loan Balance	\$11,086	\$10,469
Salary And Benefits / Full-Time Employees	\$67,145	\$63,997



STATE-CHARTERED CREDIT UNIONS

Selected Composite Operating Ratios

GROWTH RATIOS

Net Worth Growth	-2.92	4.95
Market (Share) Growth	7.63	5.18
Loan Growth	12.41	7.87
Asset Growth	6.77	5.66
Investment Growth	-1.31	-6.84
Membership Growth	5.44	2.59



STATE-CHARTERED CREDIT UNIONS

Report of Condition

CREDIT UNION NAME	YEAR EST.	CITY	TOTAL ASSETS
Ashland	1942	Ashland	189,047,934
AutoTruck Financial	1965	Louisville	119,757,221
Beacon Community	1947	Louisville	55,067,831
Berea	1923	Berea	1,180,577
Brown-Forman Employees	1936	Louisville	11,741,870
C&O United	1928	Edgewood	15,646,649
Commonwealth	1951	Frankfort	1,031,779,216
Friends First	1974	Owensboro	5,809,153
Greater Kentucky	1953	Lexington	69,616,080
KEMBA Louisville	1934	Louisville	48,190,319
Kentucky Employees	1938	Frankfort	74,585,154
Kentucky Telco	1960	Louisville	351,186,058
Letcher County Teachers	1964	Whitesburg	994,827
Lexington Postal	1928	Lexington	19,631,898
Louisville Federal	1924	Louisville	34,062,328
Louisville Gas and Electric Co.	1934	Louisville	34,001,918
Louisville Metro Police Officers	1942	Louisville	24,522,620
Members Choice	1932	Ashland	204,948,900
Members Heritage	1960	Lexington	351,875,387
Metro Employees	1940	Lexington	24,721,151
Muhlenberg Community Hospital	1961	Greenville	665,981
Park Community	1955	Louisville	773,366,741
Rural Cooperatives	1964	Louisville	38,412,431
Service One	1963	Bowling Green	135,401,551
Whitesville Community	1962	Whitesville	22,294,218
			TOTAL \$3,638,508,013



DEPARTMENT OF FINANCIAL INSTITUTIONS

Division of Nondepository Institutions

DFI's Division of Nondepository Institutions consists of four branches: the Licensing Branch, the Consumer Protection Branch, the Mortgage Examination Branch, and the Non-Mortgage Examination Branch. The division has four branch managers who supervise 19 examiners, investigators, licensing staff, and an administrative specialist that provides support to the division.

Due to the challenges leading up to the recession, consumer finance laws and regulations have been rapidly changing, primarily as a result of the Dodd-Frank Act. The Division of Nondepository Institutions is committed to maintaining a well-trained staff. The division also provides educational materials and outreach to protect consumers from financial fraud.

MORTGAGE EXAMINATION BRANCH

3rd Annual Mortgage Examination Report

The Mortgage Examination Branch is responsible for the examination and oversight of state-licensed mortgage loan companies, mortgage loan brokers, mortgage loan originators, and mortgage loan processors. Staff conducts 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 law.

EXAMINATION TYPE	EXAMINATIONS 2015 *	EXAMINATIONS 2014
Mortgage Companies	152	244
Mortgage Brokers	38	60
Total	190	304

*Prior to April 2015, mortgage companies and brokers, along with their branch locations, were examined individually. In April 2015, a pilot program was launched whereby a mortgage company or mortgage broker and all of its licensed branches were examined at the same time. The pilot was successful, and now all mortgage exams are conducted in this manner. This provides for greater coverage, but with fewer individual examinations.

NON-MORTGAGE EXAMINATION BRANCH

3rd Annual Non-Mortgage 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 the Commonwealth to ensure business is being conducted in accordance with state and federal law. Money transmitter examinations are conducted as part of a multi-state examination process.

EXAMINATION TYPE	EXAMINATIONS 2015	EXAMINATIONS 2014
Payday Lenders/Check Cashers	541	536
Consumer Loan Companies	361	355
Industrial Loan Companies	28	30
Money Transmitters	13	13
Total	943	934



DEPARTMENT OF FINANCIAL INSTITUTIONS

Division of Nondepository Institutions

LICENSING BRANCH

3rd Annual 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 professionals such as mortgage loan originators and mortgage processors.

LICENSE TYPE	LICENSES AS OF 2015	LICENSES AS OF 2014
Mortgage Companies	1,021	907
Mortgage Brokers	108	107
Check Cashers/Payday Lenders	532	549
Consumer Loan Companies	376	357
Industrial Loan Companies	30	30
Money Transmitters	83	72

REGISTRATION TYPE	REGISTRATIONS AS OF 2015	REGISTRATIONS AS OF 2014
Loan Originators/Processors	6,878	5,413

CONSUMER PROTECTION BRANCH

7th Annual Consumer Protection Report

The Consumer Protection Branch investigates complaints and suspicious activity relating to nondepository institutions. The branch staff also records complaints for matters relating to depository institutions. The investigators identify, examine, and recommend actions against those companies and individuals who exhibit unethical behavior or perpetrate financial crimes against Kentucky citizens. In addition, the Consumer Protection Branch is responsible for enhancing public protection and consumer education through instructional outreach programs. The Consumer Protection Branch investigated 143 complaints in 2015 and 125 complaints in 2014 against licensed entities on behalf of Kentucky consumers. Additionally, the branch processed 38 complaints in 2015 and 101 complaints in 2014 against unlicensed internet lenders.

NONDEPOSITORY LICENSE TYPE	COMPLAINTS 2015	COMPLAINTS 2014
Mortgage Companies/Brokers	35	41
Check Cashers/Payday Lenders (licensed)	11	13
Consumer Loan Companies	14	11
Industrial Loan Companies	0	0
Money Transmitters	8	8
Total	68	73

DEPOSITORY LICENSE TYPE		
State-Chartered Banks	47	43
State-Chartered Credit Unions	8	9
Total	55	52

UNLICENSED LENDERS		
Internet Payday/Installment Lenders	38	101



CONSUMER LOAN COMPANIES

Consolidated Report of Condition

	DEC. 31, 2015
Licensed Consumer Loan Locations	376
Kentucky Consumer Loans Secured by Residential Real Estate \$15,000 or Less	\$32,233,642

ASSETS

Cash – Depository Institutions	\$557,524,422
Kentucky Loans Receivable (Net of Unearned Interest and Reserves)	\$844,913,454
Premises and Fixed Assets (Net of Depreciation)	\$107,231,752
Deferred Charges and Prepaid Expenses	\$58,815,301
Other Assets	\$1,335,618,524
Total Assets	\$2,904,103,453

LIABILITIES AND CAPITAL

Total Liabilities	\$142,720,042
Total Capital	\$3,046,823,495
Total Liabilities and Capital	\$2,904,103,453



INDUSTRIAL LOAN COMPANIES

Consolidated Report of Condition

	DEC. 31, 2015
Licensed Industrial Loan Locations	30
Total Assets	\$4,967
Total Liabilities	\$17,259
Total Capital	(\$12,292)
Total Liabilities and Capital	\$4,967



Chad Harlan,
Consumer Protection
Branch Manager,
presents about
reverse mortgages
at the Senior Scam
Jam event in
Bowling Green
in April 2015.



DEPARTMENT OF FINANCIAL INSTITUTIONS

Division of Securities

29TH ANNUAL SECURITIES REPORT

The Securities Division balances a regulatory approach that spurs legitimate capital formation for small businesses throughout Kentucky while maintaining investor protections. Taking appropriate enforcement action when investors fall victim to financial predators and fostering efficient regulatory policy help bolster investors' confidence. One of the fundamental goals of the Division is to educate Kentuckians on how to be an informed investor.

Legislation was enacted during the 2015 legislative session that created the Kentucky Intrastate Crowdfunding Exemption. The exemption was passed in an effort to make it easier for Kentucky businesses to raise money by selling securities to Kentucky residents through internet crowdfunding. This is a new exemption from registration for Kentucky-based issuers seeking to raise up to \$2 million in capital from Kentucky investors. Issuers raise capital through an internet website that is operated by a broker-dealer registered in Kentucky or a Kentucky-based internet website operator.

In 2015, the Securities Division conducted 119 examinations and 38 investigations which resulted in 12 administrative orders.



At the Prestonsburg Senior Scam Jam in August 2015, Roberta Bottoms of the U.S. Postal Inspection Service presents about mail fraud and her work prosecuting oil and gas investment fraud cases with the help of DFI Securities Division investigators.



DIVISION OF SECURITIES

Compliance Branch Report

Examiners in the Compliance Branch perform examinations of broker-dealers and investment advisers and their respective representatives 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.

	DEC. 31, 2015	DEC. 31, 2014
COMPLIANCE BRANCH EXAMINATIONS		
Broker-Dealer Examinations	45	51
Investment Adviser Examinations	74	74
Total Examinations	119	125
Orders/Agreements Entered as a Result of Examination	6	3



DIVISION OF SECURITIES

Licensing and Registration Branch Report

Employees in the Licensing and Registration Branch process applications for the registration of broker-dealers, investment advisers and their licensed employees. The licensing staff can deny the applications of firms and individuals who do not meet the requirements of the Kentucky securities laws. The licensing staff also responds to inquiries from the public concerning investment adviser or broker licensing status and disciplinary history.

BROKER-DEALERS HEADQUARTERED IN KENTUCKY

BROKER-DEALER

Alexander Investment Services Company
Churchill Financial LLC
Dupree & Company Inc.
First Kentucky Securities Corporation
Investment Bank Services Inc.
J.J.B. Hilliard, W.L. Lyons LLC
Jefferson National Securities Corporation
Lexington Investment Company Inc.
Nancy Barron & Associates Inc.
Private Client Services LLC
Roosevelt Equity Corporation
Supreme Alliance LLC

CITY

Louisville
Louisville
Lexington
Lexington
Louisville
Louisville
Louisville
Lexington
Lexington
Louisville
Louisville
Lancaster

INVESTMENT ADVISERS HEADQUARTERED IN KENTUCKY

INVESTMENT ADVISER

Accredited Wealth Management LLC
Aisa Investment Advisers LLC
Archer Financial Planning LLC
Blandford Wealth Management LLC
Bluegrass Capital Advisors LLC
Bluegrass Financial Planning LLC
Capital Investment Management Inc.
Cashel Financial Advisors LLC
Christina Vittitow O'Bryan, CFP dba Beacon Asset Management
Churchill Financial LLC
Clear Trace LLC
Coats Financial Planning Inc.
Cochran & Associates Inc.
Commonwealth Financial Advisors LLC
Conservative Asset Management Inc.
Cornerstone Benefit Advisors LLC dba Cornerstone Wealth Advisors
Cox Planning Services PLLC
Crimson Oak Wealth Management LLC
Douglas Hawkins Investment LLC
Doyle Asset Management LLC
Encompass Financial Advisors LLC

CITY

Louisville
Louisville
Louisville
Louisville
Louisville
Louisville
Leitchfield
Louisville
Owensboro
Louisville
Pewee Valley
Louisville
Crestwood
Louisville
Louisville
Louisville
Paducah
Lexington
Lexington
Cadiz
Danville



DIVISION OF SECURITIES

Licensing and Registration Branch Report

INVESTMENT ADVISER

Encompass Wealth Management LLC
 Equity Advisors Of Kentucky Inc.
 Federal Hill Capital Management LLC
 Financial Architects Inc.
 Focus On Success LLC
 G J Kohler Investment Advisors LLC
 Garton And Associates Financial Advisors LLC dba Advantage Investment Management
 Geary Investment Services LLC
 Godby Wealth Management Inc.
 Graeter Wealth Advisors LLC
 Griggs Capital LLC
 Harvey R. Little Jr. Financial Services
 Heritage Financial Group Inc.
 Highland Capital Advisors LLC
 HPC Financial Services LLC
 Independent Capital LLC
 Investment Answers Capital LLC dba Investment Answers
 Investment Research Advisory Corporation
 Investments & Financial Planning LLC
 Itrust Asset Management LLC
 J. Hagan Warren Capital Partners Limited
 J.D.T. Inc. dba Invest Inc.
 Janlyn Capital LLC
 Jesse Investment Advisors Inc.
 JGD Investment Management LLC
 Journey Financial Management LLC
 Keepsake Management Inc.
 Lach Financial LLC
 Lanier Asset Management LLC
 Lawrence J. Botzman CFP
 Leif Clarke Wealth Management Inc.
 Lexington Investment Company Inc.
 Life Advisors Financial Planning and Wealth Management LLC
 Lifetime Wealth Design LLC
 Lighthouse Capital Management LLC
 Linker Capital Management Inc.
 Mackhouse Capital LLC
 Mann Capital Management LLC
 MC Financial Services Inc.
 MCW Financial Inc. dba Research & Portfolio Management
 Milestones Financial Planning LLC
 Moneytree Capital Management LLC dba Arnett Financial Group
 Moneywise Inc.
 Multi Fund Management Inc.

CITY

Princeton
 Waddy
 Bardstown
 Louisville
 Fort Mitchell
 Prospect
 Louisville
 Fairdale
 Somerset
 Louisville
 Lexington
 Berea
 Paducah
 Louisville
 Louisville
 Lexington
 Louisville
 Louisville
 Lexington
 Lexington
 Louisville
 Lexington
 Louisville
 Louisville
 Louisville
 Bowling Green
 Lexington
 Louisville
 Louisville
 Somerset
 Ashland
 Lexington
 Munfordville
 Louisville
 Bowling Green
 Prospect
 Louisville
 Florence
 Louisville
 Crescent Springs
 Mayfield
 Morganfield
 Lexington
 Louisville



DIVISION OF SECURITIES

Licensing and Registration Branch Report

INVESTMENT ADVISER

Navin Advisors LLC
 New Millennium Asset Management Inc.
 Page Financial Services LLC
 Palmer Capital Management Inc.
 Panoptic Financial Group LLC
 Pierce Financial Planning Inc.
 Principled Wealth Advisors LLC
 Private Asset Management LLC
 Proactive Advisors LLC
 Proactive Wealth Management
 Quantum Financial Consultants LLC
 Regional Investment Advisors Inc.
 Remington Wealth Management LLC
 Resource Design Inc.
 Revolutionary Wealth Management Corp.
 Rivercities Asset Management LLC
 Riverstone Asset Management LLC
 Robert M Walker & Associates Inc.
 Ron Beaton's Money Matters
 Sachs Investment Group LLC
 Sagebrush Investment Management LLC
 Searce Services Inc. dba Cambridge Financial
 Springhouse Financial LLC
 Sterling Financial Group Ltd.
 Strategic Wealth Designers LLC
 Supreme Alliance LLC
 Tactical Wealth Management
 Tashari Financial Group LLC
 Tatro Capital LLC
 The Wealth Advisory Team LLC dba Mackey Advisors
 The Wright Legacy Group LLC
 Thomas Maurice Zalla
 Thompson Investment Advisors Inc.
 Townsend Financial Planning LLC
 Walker Financial Services Inc.
 Wealth Management Advisors LLC
 Wealth Management of Kentucky Inc.
 Winebrenner Capital Management LLC
 Witter & Westlake Investments Inc.
 Wrenne Financial Planning LLC
 Your Best Move Inc.

CITY

Lexington
 Richmond
 Louisville
 Verona
 Bowling Green
 Lexington
 Covington
 Louisville
 Lexington
 Lexington
 Louisville
 Louisville
 Louisville
 Louisville
 Edgewood
 Louisville
 Owensboro
 Louisville
 Taylorsville
 Paducah
 Louisville
 Lexington
 Lexington
 Louisville
 Louisville
 Louisville
 Louisville
 Lancaster
 Covington
 Lexington
 Lexington
 Bellevue
 Elizabethtown
 Fort Wright
 Louisville
 Mount Sterling
 Bowling Green
 Lexington
 Lexington
 Louisville
 Louisville
 Lexington
 Bardstown



DIVISION OF SECURITIES

Licensing and Registration Branch Report

	DEC. 31, 2015	% CHANGE	DEC. 31, 2014
BROKER-DEALER REGISTRATIONS			
Renewed	1,469		1,489
Approved	90		53
Withdrawals (Form BDW)	59		73
Total Registered (year-end)	1,473*	0.27%	1,469
BROKER-DEALER AGENT REGISTRATIONS			
Renewed	112,435		107,943
Total Registered (year- end)	119,477*	6.26%	112,435*
ISSUER AGENT REGISTRATIONS			
Renewed	42		51
Approved	1		9
Terminated	5		18
Total Registered (year- end)	38	-9.52%	42
STATE INVESTMENT ADVISERS			
Renewed	189		189
Total Registered (year- end)	180*	-4.76%	189
FEDERAL COVERED INVESTMENT ADVISERS			
Renewed	1022		980
Total Effective Notice Filings	1,054*	3.13%	1,022*
INVESTMENT ADVISER REPRESENTATIVES (IAR)			
Renewed	5,218		4,932
Total State and Federal IARs (year- end)	5,408*	3.64%	5,218*

NOTE: The difference between the number of renewals and end of year totals is due to new, withdrawn, and terminated entities and individuals during the calendar year.

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 processes notice filings by issuers of federally covered securities such as mutual funds. In addition, the corporation finance staff answers questions from the general public about the requirements for selling securities in Kentucky.

REGISTRATIONS

Private Placement Securities Offerings	27	34
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NOTICE FILINGS

Investment Companies - New	612	621
Investment Companies - Renewals	4,269	4,261
Unit Investment Trusts	1,437	1,423
Reg. D, Rule 506 Offerings	470	485

EXEMPTIONS

Claims of Exemption Requested	37	46
Total Filings	6,852	6,859



DIVISION OF SECURITIES

Enforcement Branch Report

The Enforcement Branch staff investigates allegations of securities fraud and related illegal conduct. In coordination with DFI's legal staff, the 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 assist securities investigators from other states. Cases are referred by the division to state and federal authorities for criminal prosecution.

	DEC. 31, 2015	DEC. 31, 2014
INVESTIGATIONS		
Referrals/Assistance to Outside Agency	4	6
Referrals from Outside Agency	3	7
Investigations Opened	9	7
Investigations Closed	18	8
Investigations Pending	38	47
ENFORCEMENT ACTIONS		
Administrative Orders	12	7
Civil Orders	0	0
Fines	\$109,517.00	\$205,445.00
Restitutions to Client (Ordered)	\$8,223,112.25	\$1,749,175.00



DIVISION OF SECURITIES

Prosecution Assistance Unit Report

The primary role of DFI's Prosecution Assistance Unit (PAU) is to assist and support prosecutors in reviewing and preparing criminal cases involving securities law violations.

In 2015, the PAU made one criminal referral and provided assistance on nine pending cases. These cases included a federal criminal trial that resulted in a guilty verdict, and several guilty pleas, resulting in combined sentences totaling 36 years imprisonment and more than \$3 million in restitution ordered.

The PAU also conducted outreach at the Kentucky Prosecutors Conference to raise awareness among prosecutors, county attorneys, and commonwealth attorneys about the PAU and securities crimes.

	DEC. 31, 2015	DEC. 31, 2014
Criminal Referrals	1	2
Criminal Indictments	0	9
Investigations with Federal/State Law Enforcement Authorities	2	3



Kentucky Department of Financial Institutions



502-573-3390

800-223-2579

<http://kfi.ky.gov>

