

STATE BOARD OF FINANCIAL INSTITUTIONS
MINUTES
June 4, 2014
Columbia, South Carolina

Upon proper call and due notice to all of its members and after having given required public notice, the State Board of Financial Institutions assembled in a meeting this the 4th day of June 2014, with Chairman Loftis presiding. Members present were: Messrs. Anderson, Apple, Conley, Hart, Hassell, Pennington, Saunders, Williams, Wright, and Ms. Marcum. In attendance were Commissioner Louie Jacobs, Interim Commissioner Jim Copeland, Mr. Carl Jeffcoat, Assistant Commissioner, Consumer Finance Division, Ms. Kathy Bickham, Assistant Commissioner, Banking Division, Ms. Amy Wright, Secretary to the Board, Ms. Clarissa Adams, Chief of Staff, State Treasurer's Office, Mr. Robin Johnson, General Counsel, State Treasurer's Office, Mr. Harrison Brant, Assistant General Counsel, State Treasurer's Office, Ms. Cynthia Dannels, Deputy State Treasurer, State Treasurer's Office, Mr. Daniel Brennan, Legislative Affairs Director, State Treasurer's Office, and Ms. Karen Wicker, Sr. Assistant State Treasurer, State Treasurer's Office.

On motion of Mr. Hassell, duly seconded by Mr. Hart and unanimously carried, the Board approved minutes from the May 7, 2014 meeting.

On motion of Mr. Anderson, duly seconded by Mr. Wright and unanimously carried, the Board accepted the following Notice Agenda Items (Blue Agenda) as information:

Consumer Finance Division

The following Supervised Consumer Finance Licensees have advised of change of address as follows: (a) Legacy Financial Services, Inc. dba B&B Loans from 101-A Main Street to 148 North Oak Street, Batesburg; (b) Turnstile Capital Management, LLC from 401 West A Street to 402 West Broadway, Suite 900, San Diego, California.

Notification has been received that the following Supervised Consumer Finance Licensees have been voluntarily surrendered for cancellation:

1. Express Check Advance of South Carolina, LLC dba The Loan Store 3708 Liberty Highway, Anderson, South Carolina.
2. QC Financial Services, Inc. dba Sterling Point Financial, 2828 West Main Street, Newberry, South Carolina.
3. QC Financial Services, Inc. dba Sterling Point Financial, 3708 Liberty Highway, Anderson, South Carolina.
4. Express Check Advance of South Carolina, LLC dba The Loan Store, 2828 West Main Street, Newberry, South Carolina.

EXAMINING DIVISION

None.

EXECUTIVE SESSION

On motion of Mr. Hart duly seconded by Mr. Anderson and unanimously carried, the Board voted to go into Executive Session to receive and discuss information pertaining to examinations of institutions required to be made by law, trade secrets, information regarding contractual arrangements, purchase of property, examination findings, personnel matters, and receive legal advice.

RETURN TO REGULAR SESSION

On motion of Mr. Hassell, duly seconded by Mr. Saunders and unanimously carried, the Board returned to Regular Session. No other vote was taken in Executive Session.

The following actions were taken in Regular Session on items discussed in Executive Session:

Consumer Finance Division

Interim Commissioner Copeland reported on the review of Examination of Consumer Finance Division licensees.

Examining Division

On motion of Mr. Anderson duly seconded by Mr. Pennington and unanimously carried, the Board approved the application of CresCom Bank, Charleston, South Carolina, to establish a branch at 4506 Socastee Boulevard, Myrtle Beach, South Carolina.

LEGISLATIVE AND OTHER UPDATES

There was no Legislative Update.

Mr. Hassell stated that the Budget, Policy and Planning Committee did not meet this month but will be meeting before the July Board meeting to discuss upcoming budget submission as well as other items.

REGULAR SESSION

Consumer Finance Division

On motion of Mr. Saunders duly seconded by Mr. Apple and unanimously carried, the Board approved the requests for Supervised Consumer Finance Licenses for In-State as follows:

1. Request of 1st Franklin Financial Corporation to operate at 232 Kelley Street, Suite B, Lake City, South Carolina 29560. (#active43)
2. Request of AutoMoney, Inc. dba AutoMoney, Inc. – Greenville #3 to operate at 119 State Park Road, Greenville, South Carolina 29609. (#active68)
3. Request of AutoMoney, Inc. dba AutoMoney, Inc. – Greer to operate at 1131 West Wade Hampton Boulevard, Greer, South Carolina 29650. (#active68)
4. Request of Carolina's Best of Travelers Rest, LLC dba Carolina's Best Title Loans to operate at 146 Walnut Lane, Suite C, Travelers Rest, South Carolina 29690. (New)
5. Request of EZ Cash Loans of SC, Inc. to operate at 3016 North Main Street, Suite F, Anderson, South Carolina 29621. (#active3)
6. Request of Republic Finance, LLC to operate at 3071 Highway 21, Fort Mill, South Carolina 29732. (#active23)

On motion of Ms. Conley duly seconded by Mr. Anderson and unanimously carried, the Board approved the requests for Supervised Consumer Finance Licenses for Out-of-State as follows:

7. Request of CNU of South Carolina, LLC for a Supervised Consumer Finance License to perform certain lending operations in South Carolina from its location at www.cashnetusa.com (#active2)

On motion of Mr. Anderson duly seconded by Mr. Hassell and unanimously carried, the Board approved the request for Check Cashing Level II Services as follows:

8. Request of MD Ripon Mia dba Beer and Tobacco Outlet for a license to provide Check Cashing Level II services at 2139 North Main Street, Suite #C, Summerville, South Carolina 29483. (New)

9. Request of Suneetha LLC dba Sunset Point for a license to provide Check Cashing Level II services at 2501 Decker Boulevard, Columbia, South Carolina 29206. (New)

Examining Division

None.

OTHER BUSINESS

On motion of Mr. Hart duly seconded by Mr. Anderson and unanimously carried, the Board approved to amend the State Board of Financial Institutions' By-laws as follows:

Article II: Membership

Section 1: Membership. The State Board of Financial Institutions is composed of ~~ten~~ eleven members one of whom is the State Treasurer as an ex officio member and as the chairman. The remaining ~~nine~~ ten members must be appointed by the Governor with the advice and consent of the Senate. Four must be engaged in banking and recommended by the South Carolina Bankers Association, one must be recommended by the association of supervised lenders, one must be engaged in the mortgage lending business and recommended by the Mortgage Bankers Association of the Carolinas, one must be engaged in the licensed consumer finance business as a restricted lender or a supervised lender and recommended by the Independent Consumer Finance Association, two must be engaged in the cooperative credit union business and recommended by the State Cooperative Credit Union League, and one must be unaffiliated with a financial organization and serve as a representative of the consumers of the State. Each member shall represent the best interests of the public and shall not serve more than two consecutive four-year terms. The association which is to provide a member to fill a vacancy on the board, except for a consumer representative, shall submit three names, from three different institutions, from which the Governor shall select one. (SC Code of Laws 34-1-20. Also note that Attorney General opinions have consistently concluded that "serving a portion of any unexpired term is distinguishable from serving full term in office and therefore, does not count toward a term limit imposed by statute. 2007 WL 3244889 (S.C.A. G.))

On motion of Mr. Hassell duly seconded by Mr. Anderson, the Board did not approve the request to amend the State Board of Financial Institutions' By-laws as follows:

Article: Miscellaneous

Section 1: Amendments to by-laws. Any member may propose changes to these by-laws. Proposed amendments must be provided to all members at least one week in advance of a meeting. Any amendment to the by-laws must be approved

by a ~~majority~~ two-thirds of the members of the Board. Unless otherwise prohibited by law, the Board may temporarily suspend a by-law under emergency or extraordinary situations until the next scheduled Board Meeting.

The Board, through consensus, scheduled its next meeting for **July 9, 2014.**