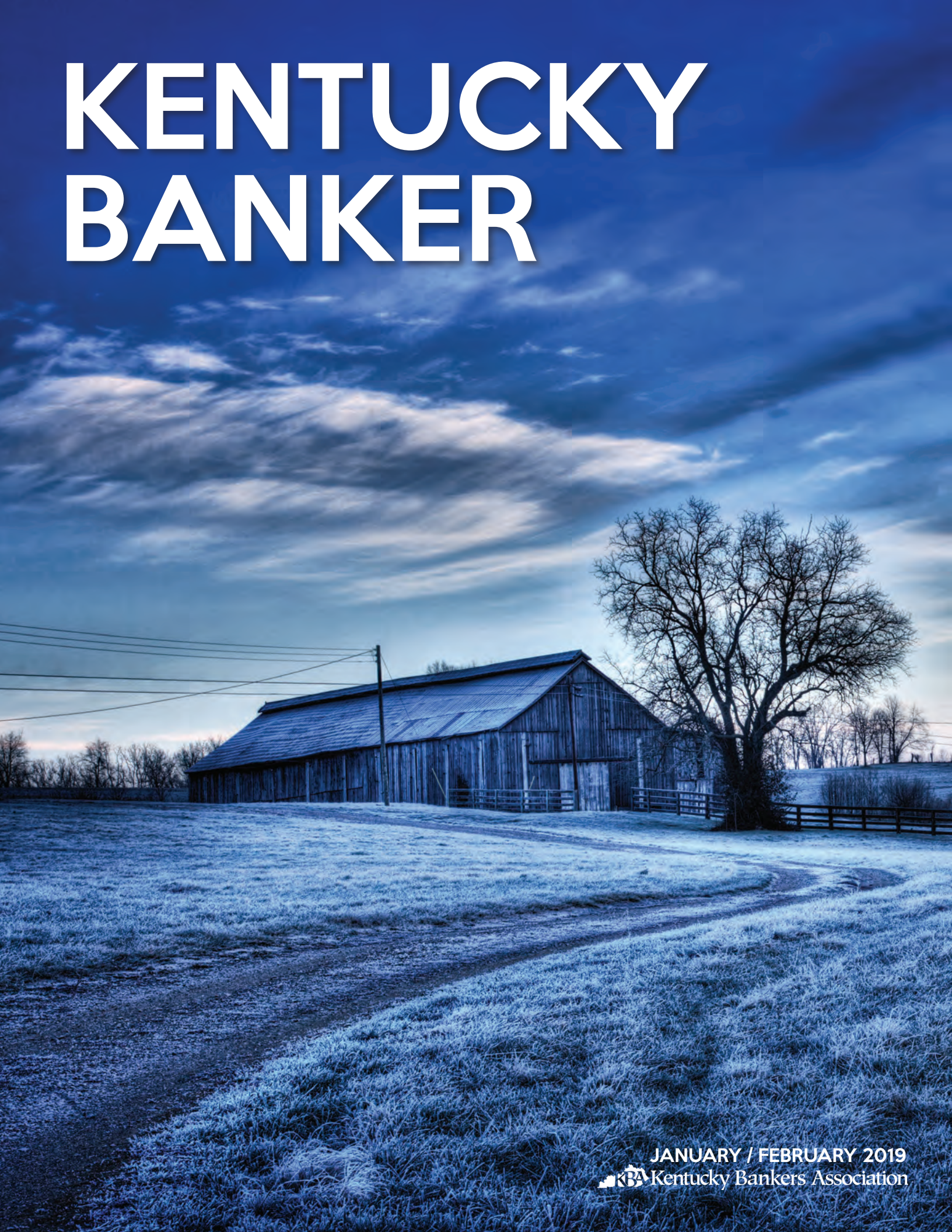


# KENTUCKY BANKER



JANUARY / FEBRUARY 2019  
 Kentucky Bankers Association



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to attend the KBA  
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April 14-16, 2019

## 1 UK ATHLETIC DIRECTOR MITCH BARNHART

We kick off the 2019 KBA Spring Conference with a motivational talk from UK's Athletic Director, Mitch Barnhart. Get the inside scoop on UK football and basketball.

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SEE PAGES 24 & 25  
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QUESTIONS?  
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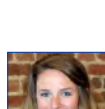
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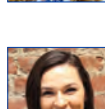
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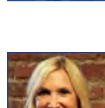
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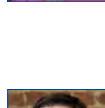
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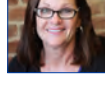
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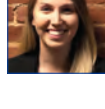
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# KENTUCKY BANKER

## JANUARY/FEBRUARY 2019

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## CHAIRMAN'S CORNER

Mr. David M. Bowling, CEO  
Citizens Union Bank of Shelbyville  
2018-2019 KBA Chairman

# A Return to Common Sense?

LET'S  
HOPE  
SO

Someone once said, "The problem with common sense is, it's not so common any more."

I think that can certainly be true when it comes to bank regulation, especially related to regulatory compliance. In recent years, following the financial crisis and Great Recession, it appears the bank regulation pendulum swung, understandably so I might add, too far to the conservative side. In response, most regulators, compliance officers and compliance professionals have taken very conservative positions when interpreting and implementing new and even existing regulations.

This has caused banks to spend significant amounts of time and resources (\$\$\$) trying to keep up with regulatory expectations and stay compliant. It has also left many bankers scratching their heads, at times, trying to understand why we have to do some of the things we do. I know in our Bank we have spent untold hours analyzing and debating the proper course needed to meet not only the spirit, but the letter of the law. It has also caused us to be very cautious about rolling out new products and services. And, we spend a lot of time trying to discern what the regulators will expect. We do this for two reasons. First, we know and understand how important it is for a bank to get a good rating from the regulators. Second, and far more importantly; however, we want to do the right thing by our customers. What got lost a bit in the midst of the financial crisis I think, was that community banks have always believed that. We have always understood that without happy customers we don't have a bank and that starts with providing fair and competitively priced products and services delivered in a transparent way. We actually want our customers to be fully informed and to understand how and what we do for them and what it costs.

Part of the challenge it seems, is that much of what we do could be characterized as "form over substance." We bury our customers in disclosures and red tape and to what end? My wife and I recently refinanced a piece of rental property we own and to get the process started we both had to sign 21 different pre-disclosure forms. I can't imagine that most customers find that valuable. I understand the objective, but it seems the results got lost somewhere along the way. I recently asked a compliance professional, a strong consumer advocate in her own right, whether the TRID regulations had actually made the customer safer and she replied "probably not."

The good news is; help may be on the way. With the passage of SB 2155 last year we made a significant first step in the right direction toward more sensible regulation. We are just beginning to implement many of those changes. A more important change; however, may be recent leadership changes at the OCC, FDIC, CFPB and FRB. President Trump has appointed individuals with strong financial service backgrounds that should have a better understanding of the challenges bankers face. They are at least saying the right things.

Comptroller of the Currency Joseph Otting said recently, "I think when you are looking at credit unions and smaller banks, what you see is the

financial institutions that are closest to the communities they serve. I think we are seeing a changing mindset that the law needs to get out of the way and let community institutions do what they do best — serve their communities."

New FDIC Chair, Jelena McWilliams said in a recent interview, "We need to create a framework that encourages innovation inside the banks and in cooperation with the banks. These fintech [firms] are emerging partly because we have been so conservative in our regulatory approach." She also added, "Now that we have had several years of understanding how some of the rules we implemented work, we can take a look and see, 'Did we calibrate the rule in the right manner?' Because at some point, these rules are restricting economic growth. We have made our regulatory system very complicated for banks that are not."

Talk is good, but the real "proof will be in the pudding." Are we going to have a different examination experience? In the Bank Director Magazine 2019 Bank M&A Survey, sponsored by Crowe LLP, despite more sympathetic regulators and the passage of regulatory relief, 72 percent of 184 respondents say their bank's examiners have grown no less stringent over the past two years.

Hopefully that is about to change.

## 2019 KBA SPRING CONFERENCE REMINDER (April 14-16)

The cover of the last issue of Kentucky Banker had on it the front entrance to the French Lick Hotel in French Lick, IN. I can't wait to walk through those doors to attend the 2019 KBA Spring Conference. It's a new location for us - a destination that is a win-win for all our members. Historic French Lick (Larry Bird's hometown) is one of the region's great short getaways. It has an illustrious history that is worth experiencing. But more importantly, it is a great setting to learn and discuss the challenges and opportunities that await us in 2019.

We have a new format as well. We'll start with Mitch Barnhart, the University of Kentucky's Athletic Director, with a talk sure to inspire. I am looking forward to hearing Commissioner Charlie Vice and his assessment of the state of things in Kentucky. The staff at the KBA have outdone themselves this year. All the upgrades will be noticeable as soon as you drive into the French Lick area (be sure to check out the West Baden Hotel); the agenda is solid from start to finish. Please join me at the KBA Spring Conference. You will be a better banker when you leave French Lick in April.

I hope to see you there.

**For more information on our Spring Conference  
See pages 24 & 25 >>**

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in private corporate  
equity investments

# 46,500

units of affordable housing

# 800

developments and partnerships

# 0

 foreclosures

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**STRAIGHT TALK**  
 Ballard Cassady  
 KBA President & CEO  
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# Do Kentucky Banks Matter to our Legislators?

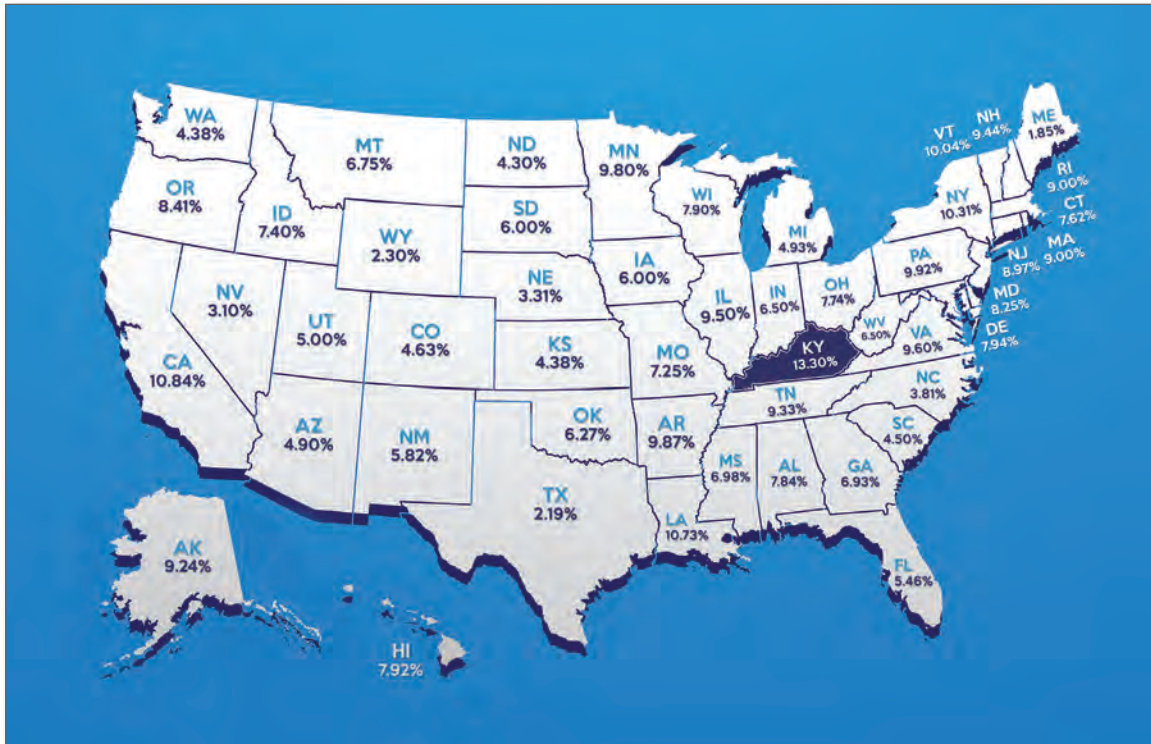
The following are some of the bullet points we are highlighting to the General Assembly in our quest to repeal the Bank Franchise Tax. Look at these points and if you see anything that is untrue, or anything other than evidence that Kentucky banks are being placed in a position where they will be unable to survive, and let me know immediately.

- Kentucky banks, on average, are taxed 92% higher than any other corporation. The rate for every bank is different because it is based on each bank's capital to profitability conversion.
- Kentucky is one of only five states which still use the capital-based tax formula on banks.
- Kentucky banks are taxed higher than banks in any other state in the Nation. Look at the map below to see how Kentucky compares with other states across the nation.
- Kentucky's banks are considered some of the most stable and best capitalized in the country. Because the bank franchise tax is based on that capital rather than profit, Kentucky banks' strength is their weakness when it comes to taxation.

- Kentucky banks pay full state and local taxes (but not federal taxes) even in years when they suffer operating loss.
- Kentucky's unfair bank tax structure results in less money being invested in communities, less charitable contributions, less job opportunities (they currently employ more than 20,000)...causing a negative ripple effect on these communities' economy.
- Kentucky banks are being acquired by out-of-state banks, which use tax savings (by apportioning to more favorable state tax environments) to recoup the acquisition costs over time. Kentucky has lost control of nearly \$1 BILLION in capital to out-of-state directives in just the last few years, as a result of out-of-state acquisitions.

We are only asking Frankfort that Kentucky banks be treated like any other corporation in the Commonwealth for state tax purposes.

If you believe our position to be true, then contact every House and Senate member NOW. Make sure that you get a firm commitment of support. They have to know what is at risk here.



Kentucky banks, on average, are taxed **92% higher** than any other corporation in the state!





MY TWO CENTS  
Debra Stamper  
KBA EVP & General Counsel  
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# Do YOU Know What the KBPAC Does for YOU?

**Short Answer:** The KBPAC supports legislators and others who have supported the banking industry. That helps the banking industry stay strong. Some of the changes that have been made in the last decade have attempted to push banking into formula-type services, without regard to the needs of individuals in various communities. Formula-type services reduces the need for bankers and allows reliance on automation to the detriment of employees and customers. By supporting like-minded individuals, KBPAC helps us keep some of the best jobs in the country!

**Long Answer:** Pretty much everyone has heard “PACs” discussed in the news, but not everyone knows what they are, what they do or why they are important. Usually, when you read a news article about PACs, the emphasis is on corruption, wealth or legal issues. It is hard for the average reader (someone whose life does not revolve around politics) to understand why a PAC, let alone the KBPAC matters in his or her life. Let me see if I can help with that.

- **Let’s start with the acronym.** PAC stands for “political action committee.” A political action committee is a highly regulated tool which allows groups of like-minded individuals (and in some very limited instances, corporations) to join their \$\$ together for common political goals. Depending on the structure of the PAC, it can be regulated by the state and/or federal agency in charge of PACs.

In our case, KBPAC is established by the Kentucky Bankers Association for bank employees to gather our \$\$ together to support state and federal legislators and other key political office holders who support banking issues.

- **KBPAC cannot accept corporate contributions.** Because the KBPAC cannot accept corporate funds, we have to rely on bank employees in our mission. That is why you may be asked, on occasion, to participate in a KBPAC fundraiser. Your employer cannot mandate that you participate, nor can retribution be imposed for your failure to participate. So, why would any hard-working bank employee want to participate? The answer is simple...to help seek legislation that works in favor of Kentucky’s banking industry—the industry you have chosen for your career.

- **Every little bit helps.** KBPAC can gather the \$\$ from each contributing bank employee and use it to the best advantage of our industry. Alone, one employee’s contribution may not seem significant, but together we can make an impact.

- **KBPAC is less interested in party affiliation than it is with industry support.** KBPAC does not limit its contributions to one political party. The KBPAC committee looks at the voting record/

position of the candidates and office holders to determine how our hard earned \$\$ can be best used. PAC contributions are public record and when you look up KBPAC, you will see that this is true.

- **KBPAC contributions do not guarantee that a candidate will vote our way—that is against the law.** But it does mean that we are doing all we can to help legislators who understand our issues stay in office. This should be important to each and every person who has chosen banking as their preferred career. Banks are the cornerstones of our communities. In the past, banks have been the most respected businesses in the communities and bankers the most sought-after advisors on a variety of issues by customers and non-customers alike. That has changed due to no fault of ours. We have to stand strong to make sure legislators understand our side of the story. KBPAC gives us the tools, and the opportunity, to protect bankers, banks and our communities.

- **KBPAC participation works!** We work hard in Washington and Frankfort reviewing and lobbying for and against bills on the basis of their potential impact on the banking industry. Last year we worked very hard on regulatory reform in Washington DC, with Congressman Andy Barr. Reform from the shackles of the Dodd Frank Act were absolutely necessary. We worked with our delegates in Washington to ensure that they understood how important that was and we were successful. Currently, we are working on the inequitable taxing structure Kentucky has imposed on banks. Banks must pay a Bank Franchise Tax instead of the corporate tax that other businesses pay. Under our tax we must pay state taxes based upon a bank’s capital, regardless of whether the bank is profitable that year. Required increases in bank capital means increased taxes, in good years and in bad. That puts Kentucky’s banks at risk. KBPAC support gives us the tools we need to work against this inequity and helps keep your jobs secure.

Alone, we may not be able to make even a negligible impact on the future of banking and the legislation impacting the banking industry. Together, however, our pennies become dollars and the impact grows exponentially. Consider this example...in 2018 just over one thousand Kentucky bank employees donated to KBPAC. Kentucky banks employ more than 22,000 people. If each person had contributed just \$10, we would have raised \$220,000 in one year. This is why PACs are so helpful! This is why we need your support!

Contributions to Kentucky Bankers PAC and Kentucky Bankers Committee for State Government (each referred to as KBPAC in this disclosure) will be used in connection with state and federal elections, respectively. Contributions to KBPAC are voluntary and may not be deducted as charitable contributions. KBPAC may not accept corporate contributions. Contributions will be reported to the Kentucky Registry of Election Finance and the Federal Election Commission, as required. You may decline to contribute without fear of reprisal. You may contribute more or less than the amounts suggested and you will not benefit or be disadvantaged because of the amount contributed or decision to participate at all.

# KBOPAC

Kentucky Banker Political Action Committee

## 2019 FOOT GOLF FUNDRAISER at the KBA Spring Conference

Monday, April 15, 3:00 PM  
French Lick Resort



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Pictured L to R: Tom Coffey, Mindy Sunderland,  
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# THE STATE OF HEMP IN KENTUCKY

**Q:** May a financial institution conduct transactions with a company in the hemp and/or cannabidiol (CBD) industry?

*By Jonathan Miller*

*Member-in-Charge, Frost Brown Todd (Lexington)*

*General Counsel to the US Hemp Roundtable*

*jmiller@fbtlaw.com*

A week seldom passes when I'm not asked a persistent question: May a financial institution conduct transactions with a company in the hemp and/or cannabidiol (CBD) industry? The simple answer is "yes" with a few caveats.

The confusion stems from the distinction between hemp and its controversial cousin, marijuana. While marijuana or medical marijuana is legal in a few dozen states (not Kentucky), it is still considered an illegal controlled substance under federal law. Accordingly, banks, even in marijuana-legal states, must be concerned about violations of key federal laws such as the Bank Secrecy Act (BSA) and its implementing regulations for Anti-Money Laundering (AML) procedures.

Hemp is not marijuana. Hemp-derived CBD is not medical marijuana. The key difference is the concentration of THC, the psychoactive compound in pot. Hemp and hemp products, by definition, have zero or only a trace amount of THC (0.3 percent or less, to be exact). By contrast, a typical marijuana joint contains 15-25% THC.

Under federal law, most hemp products are exempted from the purview of the Controlled Substances Act. Under the 2014 Farm Bill, hemp grown under state agricultural pilot programs (Kentucky has one of the nation's most robust) is treated as an agricultural commodity, not a controlled substance. Indeed, under separate federal spending bills, U.S. agencies are prohibited from interfering with the interstate sale or transport of hemp. That's why the Kentucky Department of Financial Institutions issued guidance in May 2016 clarifying that it does not perceive that "participation in such an authorized [pilot] program should serve as the basis for categorizing the customer as high risk for BSA/AML purposes."

This law became even more clear upon December's congressional passage of the 2018 Farm Bill. This legislation included a provision, inserted by Senate Majority Leader Mitch McConnell, that permanently removed hemp from the purview of the Controlled Substances Act. Further, it specifically defined "hemp" to include its "extracts, cannabinoids, and derivatives," such as hemp-derived CBD. From a federal legal perspective, hemp and hemp CBD are agricultural commodities, and transacting business in this industry does not implicate any federal criminal concerns. Kentucky law, moreover, is similarly favorable to the hemp and CBD industries.

Kentucky's hemp industry may be poised for dynamic growth in the near future. Bankers naturally want to explore prudentially capturing revenue from servicing this legal industry. As with every industry sector, bankers should carefully on-board and oversee their account relationships. What is true in every industry will likely prove to be the case here: There will be the occasional bad actor, such as individuals inaccurately purporting to sell hemp and hemp products.

*Here are a few guidelines for bankers to consider in determining whether to do business with a hemp company:*

- In order to grow or cultivate hemp, a farmer must obtain a license from his or her state or Tribal government. Farmers that seek to transact business should be asked to supply the paperwork for their arrangement with the state. In many states (including Kentucky), licensed farm operations are listed publicly on the Department of Agriculture's website.
- Similarly, in many states like Kentucky, hemp processors and handlers are also required to obtain a state or Tribal license. Financial institutions should obtain a copy of the license and/or check the state website, and then periodically ensure that the license remains in effect. Do understand, however, that a few states (like Colorado) do not ask processors to obtain a license; only farmers in those states require such certification.
- Sellers of retail products, such as hemp-derived CBD, do not have the same state licensing requirements. However, they should be asked to supply the licensing information from the farmers and/or processors who supply them hemp.
- Finally, the U.S. Hemp Authority certification program has been established by the industry to promote high standards, best practices and self-regulation. Beginning January 1, 2019, farmers, processors and product sellers that meet these stringent standards will be awarded a certificate giving confidence to consumers that the products are safe, and to law enforcement that the products are legal. While it is not necessary for everyone in the hemp industry to become certified as such, financial institutions can feel more comfortable that companies boasting these certifications are complying strictly with federal law.

**Come to the "Banking HEMP Businesses Panel"  
@ the 2019 KBA Spring Conference SEE PAGES 24-25 >>**

# Helping Community Banks Win

## TIB Helping Community Banks Compete in Card Services

TIB's Agent Card Program is helping community banks compete and win in the ultra-competitive Card Services arena. Consider the following when selecting a vendor for card services:

### Preferred By Community Bankers.

One in every five community banks in America relies upon TIB for one or more aspects of their Card Services offering. It is one reason that TIB is the largest and most trusted bankers' bank in the country.

### Your Name & Brand.

TIB's Agent Card Program provides community banks with a range of competitive Credit Card products you can offer your customers and that can be branded with your bank's name and logo.

### No Risk.

TIB's Agent Card Program eliminates your risk. They service the credit and you collect your portion of the proceeds.

### Rewards Program.

TIB's attractive Rewards Program is one of the most generous and flexible in the marketplace.

### Stay Involved.

TIB keeps you involved in the approval process. If a customer does not initially qualify, there are options for you and your customer to achieve a positive outcome.

### Your Partner. Never A Competitor.

Unlike so many other providers, correspondent banking is TIB's only business. That means TIB will never cross-sell or compete for your customer.



*For more information about TIB's industry-leading Card Services Program, please contact Selina Parrish at the KBA (502) 736-1282 or sparrish@kybanks.com. Thank you for your time and consideration of TIB's Card Services Program.*

# Allison Ball Appointed Chair

## Kentucky State Treasurer Serves Financial Literacy Effort

Kentucky State Treasurer Allison Ball was appointed Chair of the Financial Education and Empowerment Committee for the National Association of State Treasurers, her office announced.

"I am honored to have the opportunity to lead financial literacy efforts of state treasurers nationally," Treasurer Ball said. "We have made great strides towards improving financial literacy in Kentucky and I look forward to working with my fellow state treasurers to achieve similar results across the country."

The appointment follows Treasurer Ball's recent announcement of her support of HB 139, which would create a Financial Literacy Commission. The Commission would be tasked with developing and implementing a plan for improving financial literacy for all Kentuckians and would operate at no cost to taxpayers thanks to Treasurer Ball's work

to secure private funding for the initiative from the Kentucky Credit Union League and Kentucky credit unions.

The Commission is the next step in Treasurer Ball's plan to improve financial literacy in Kentucky. In 2017, Treasurer Ball was an outspoken advocate for HB 132, which made a financial literacy course or program a high school graduation requirement. In April of last year she also launched Kentucky's Financial Empowerment Coalition and Database.

"The innovative programs Treasurer Ball has implemented in Kentucky to improve financial literacy make her a great fit to chair NAST's Financial Education and Empowerment Committee," Utah State Treasurer and NAST President David Damschen said. "State treasurers are uniquely positioned to impact the financial literacy."

# Coffey Promoted, Farler Retires

## First Federal Savings & Loan of Hazard Says Hello and Goodbye

by Jessica Watts, KBA Emerging Leader  
First Federal Savings & Loan of Hazard

In January, Jaime Steele Coffey was promoted to President of First Federal Savings & Loan of Hazard, making her the bank's fourth president since the institution opened in 1960. Jaime has been in banking for 17 years. She earned a bachelor's degree in business administration from Pikeville College in 2001. Coffey is a graduate of the KBA General Banking School, a member of the 2013 inaugural class of KBA Emerging Leaders, and a recent graduate from the Graduate School of Banking at Colorado.

The position of FFSLH President was previously held by Lou Ella Roll Farler. Farler's banking career began as a teenager when she was hired by FFSLH founder/President Joe C. Eversole for a part-time position. In 1975, she was offered a full-time position with the bank and served in various roles throughout the years. Mrs. Farler became the third president of FFSLH in January 2013 when President Tony Whitaker retired. She served in that position until her retirement on December 31, 2018, ending her impressive 44-year banking career.

During Farler's tenure as President, FFSLH's loan volume increased and the financial institution found a new home. After 56 years at the original location, First Federal Savings & Loan of Hazard relocated. When the time came to navigate to a more modern facility that could better accommodate customers, it was paramount to Mrs. Farler that First Federal remain located on Main Street, where the 400+ people who work downtown every day could easily access FFSLH for their banking needs. In February 2016, under Farler's leadership, First Federal was open for business in a new facility that offered more customer convenience.

Reflecting on her own career and what advice she would give to young professionals just starting their careers, Mrs. Farler said, "The best advice that I can offer anyone who is starting a career in any industry is to do your best in any area that you have been assigned and to always be a team player. Think of others and treat them as you would want to be treated. This includes all customers, too."

When asked about her vision for First Federal Savings & Loan of Hazard, President Jaime Coffey said, "First Federal Savings & Loan of Hazard has been a vital part of this community for 59 years. I will continue to help the people of Eastern Kentucky plan for the future or realize their dream of home ownership."

"I am so very proud of Jaime and her accomplishments," expressed former President/CEO of FFSLH Lou Ella Farler, "I wish her the very best as she begins her new role as President and CEO of First Federal. I know she will serve the banking industry well."

Lou Ella Roll Farler  
Retiring after 44-years in Banking



Jaime Steele Coffey  
Becomes bank's fourth President



## NEWS FROM THE VAULT

# Make Your Customers S.A.F.E.

by *Craig M. Collins*  
*OneBeacon Financial Services*

Banks do an excellent job keeping their customers safe while on the bank's premises. However, there has been a significant uptick in robberies of bank customers taking place after they leave the safety of the bank's parking lot.

Bank employees and customers alike need to be aware that criminal behavior is changing and evolving.

Although you can't control what happens beyond the premises of the bank, there are some safety tips to share with your customers to help keep them safe.

### Subtle Deposit Bags

The primary target for a robber is the deposit bag. Keeping them out of plain site goes a long way towards prevention. The use of backpacks, shopping bags, larger purses, or book bags are excellent ways to keep deposit bags concealed during their transfer from the customer's location to the bank.

### Alternative Routes

Most people drive or walk the same routes every day. Unfortunately, robbers also know this. Many times, a simple "fender bender" is more nefarious than it appears. Altering routes between the bank and the customer's location makes this type of robbery much more difficult to plan and implement. Advise customers that if they feel that they are being followed, they should do not drive to the bank or back to the customer's location. Instead, the customer should dial 911 and drive to the closest police station, keeping the dispatcher informed of their location until arriving.

### Flexible Scheduling

As with routes, frequently the same person comes to the bank at the same time every day. Encourage them to alter their deposit/withdrawal times throughout the week. In addition, encourage them to send different people to conduct the transactions from time to time. Unpredictable schedules make a coordinated robbery much more difficult to complete.

### Exits and Entrances

Unfortunately, most customer robberies occur as they are either leaving or returning to their location after making their transactions. Before leaving the location, they should have a good look outside, keeping an eye out for people and cars in view of the exit. They should pay particular attention to cars with multiple occupants in them as well as cars moving from space to space in the parking lot.

### Becoming More Common

While this type of robbery attempt is not new, it's becoming more common. Bank employees and customers alike need to be aware that criminal behavior is changing and evolving, and because of this they need to be more cautious and aware of their environment. Hopefully these tips will help keep your customers S.A.F.E.



Property & Casualty / Collateral Protection  
 Employee Benefits / Fee Income  
 Cyber / BOLI Contact

*"Let us review your coverage so you can get back to the business of serving your communities."*

Chuck Maggard  
 cmaggard@kybanks.com  
 cell 606-682-1950





# Are You Prepared? For the next generation of problem loans.

*J. Michael Allen*

*Faculty Member, Graduate School of Banking at LSU*

When some of you read the title to this article you will react somewhat smugly and say, “of course we are prepared and our asset quality is pristine.” Are you –truly prepared? Have you objectively identified which loans in your portfolio will be listed among those to be the next criticized or classified?

One of my passions is teaching other bankers through my affiliation with Georgia Bankers Association and Graduate School of Banking at LSU. Seasoned, professional bankers have a responsibility to prepare the next generation of bankers to be strategic in their thoughts and actions.

My career spans almost 40 years. It has been my experience that successful banks and bankers do five key things well, and if you are doing these well, chances are your bank’s asset quality is stellar and your loan portfolio metrics would rank among the top industry performers. So, do your line and credit professionals know these things about each and every customer you/they lend to? How do you lend money?

- How does my customer make money/do I understand their business model?
- What will my borrower use my loan proceeds for?
- How will we be repaid?
- What are the risks to us getting repaid?
- Have I mitigated the repayment risks to an acceptable level?

Is it possible to repeat the past? Are we currently repeating the past? What is the past you may ask? The “past” were those periods in our careers fraught with tremendous internal focus on addressing what seemed to be an ever-growing group of criticized and classified loans. Significant amounts of energy and calories were being expended on workouts hindering your ability to play offense in your market. Someone once said to me: “the economy cycles on average about every seven years, trouble is, bankers’ memories only last six.”

Lending Institutions who will be winners are those that will:

- Have a culture and discipline to apply sound risk management tools and lessons learned.
- Read the warning signs early both at the individual loan level and portfolio level.
- Cull the winners from losers early – migration analysis.
- Be pro-active in managing high risk assets – have a sense of urgency.
- Think like “Traders” and not be afraid to identify, develop and execute exit strategies.
- Stay within their core competencies.
- Staff properly and provide your team with knowledge, tools and support to perform.

I love a good competition. Healthy competition benefits our shareholders, customers and employees. Please consider this challenge. Bad loans—have we really learned from our past mistakes? Would one of your competitors look at you and say “what are they thinking?” Furthermore, if you were completely honest and reflective on your practices today, how many of you would say to yourself: *what are we thinking?*

I will leave you with an anonymous quote I came across over 25 years ago that I hope you will find as challenging as I do. “Those who forget and fail to learn from the past are condemned to repeat it and it’s a person’s ignorance that gets them into trouble and their arrogance that keeps them there.”

*This article is submitted as part of the Graduate School of Banking at LSU Faculty Insights series. Author Contact: E-Mail: Mike.allen@statebt.com; Phone: 404-239-8755*



## TRIBUTE | MR. DON SHANNON

On December 18th, our banking community lost a fixture in the Lexington area when Don Shannon passed away. Don was a Paris native and attended the Millersburg Military Institute. After graduating from the UK, Don began his banking career in 1963. He went on to spend 37 years with First Security (becoming Bank One). In total, Don’s banking career spanned over 55 years.

His knowledge on the history of this community was something to be admired and highlighted his passion for his work. While Don had a passion for banking, he had an even greater love for his community and helping others. A former baseball player, Don dedicated time throughout his life to coaching and as an avid supporter of local youth athletics. Don spent 6 years in the U.S. Army Reserve after college and was very active in his church. Most importantly to Don, he was a devoted husband to his wife Ann.

KBA ASSOCIATE MEMBER SPOTLIGHT

# Are You IT Compliance Ready?



By Milton Bartley  
Co-Founder, President and CEO  
ImageQuest

For many Kentucky banks, preparing for an IT Compliance Examination can be a headache – taking you away from supporting your local entrepreneurs and working families, and distracting you from helping your communities grow and prosper.

At ImageQuest, we want our banking friends to thrive with robust technology and cybersecurity - and be proactively ready for any IT examination or audit you face in a year.

Unfortunately, the world in 2019 has become increasingly unfriendly, causing the demands for cybersecurity and IT compliance to grow exponentially. There's no end in sight to the persistent attacks from hostile nations and their hackers.

Thus, Bank Examiners are taking a deeper dive into how you really execute your IT compliance. It's now much deeper than the box-checking exercise of the past.

Examiners in 2019 will be particularly interested in three areas.

1. First is your risk assessment, and specifically the asset risk assessment. Examiners want to be sure you are putting the assets of your bank front and center of your risk assessment process. And they also want to see you actually measuring risk against specific critical assets. That's a significant change in 2019.
2. A second significant change is their review of your business continuity plan. These plans will get a hard look regarding whether you have tested the efficacy of your plan. Examiners want to see that you've gone through tabletop exercises and made revisions as a result of those tests.
3. Third, and probably most emphatically, they're looking at your vendor management program. This has become a big, big deal – it's one of the first questions Examiners are asking this year.

You will have to explain in detail how are you assessing and managing the risk of your vendors. You will have to take your list of vendors, define who is critical and who's not, and then for the critical vendors, explain how you are holding them accountable.

Examiners will want to see if you measure their risk, both to your organization and externally, and whether you're looking at what they're doing to remediate their own risk, and how their moves affect your bank.

If this sounds overwhelming, be aware that regulators often suggest hiring an expert third-party to help you with risk assessment, vendor management, disaster recovery/business continuity, and other compliance tasks.



For example, we can help you with all those issues plus Security Incident Event Monitoring (SIEM), penetration tests, asset vulnerability testing, incident response and disaster recovery plans, and documentation.

Our solutions mean you don't have to spend hours re-inventing the wheel, looking for expensive professionals to hire, and winding up with noisy, false positive – or worse, weak – protection.

There are literally hundreds of companies out there today that offer “cybersecurity” solutions. They offer a few sizes to fit all, and many are strictly focused on meeting sales numbers. If you have a unique or unusual situation, good luck.

We take a slightly different approach. We think it is essential to build relationships, to do a deep dive with our clients to really understand your business and technology needs and develop your trust as a valued advisor.

*If you'd like to learn more, visit us at [ImageQuest.com](http://ImageQuest.com) or contact Jay Mallory, our Senior Vice President for Marketing and Business Development in Louisville at 502-400-3300.*

*We hope you will get to know us through the Kentucky Bankers Association, and we look forward to meeting you!*

*“We'd like to welcome our newest KBA Associate Member, ImageQuest. Be sure to stop by their booth at this year's Spring Conference (April 14-16, French Lick, IN) for more information about their offerings. Welcome to the KBA family ImageQuest!”*

Nina K. Gottes

Sponsorship & Business Development  
ngottes@kybanks.com



**RESOLUTION OF THE BOARD OF DIRECTORS OF  
SPRINGFIELD STATE BANK, INC. AND SPRINGFIELD BANKSHARES, INC.,  
SPRINGFIELD, KY**

**Mr. Robert F. Goodlett  
Director**

WHEREAS, the Board of Directors wishes to acknowledge the many years of service given by Robert F. Goodlett to Springfield State Bank Inc. and Springfield Bankshares Inc. and:

WHEREAS, Mr. Goodlett served as a loyal Director and Audit Committee member from 1986 until his passing on October 17, 2018 and contributed to the growth and success of the bank during that time and:

WHEREAS, Mr. Goodlett served as a loyal Director of Springfield Bankshares Inc. from 1986 until his passing on October 17, 2018 and:

WHEREAS, Mr. Goodlett was an extremely successful businessman having served in the position as plant manager of the Armour Food Company plant in Springfield, Kentucky for 33 years. He was a former Springfield City Council member and served his community with great pride as evidenced by the many civic organizations he was a member of and:

WHEREAS, the Board of Directors wishes to express our respect and gratitude to our friend and colleague, Robert F. Goodlett, for his contributions to the Springfield State Bank and Springfield Bankshares, and:

WHEREAS, Mr. Goodlett served the bank and community of Springfield and Washington County with sound business judgement, loyalty and dedication and:

WHEREAS, the Board of Directors wishes to express our respect and gratitude to our friend and colleague, Robert F. Goodlett for his contributions to the citizens of Springfield and Washington County and the parishioners of St. Dominic Church and:

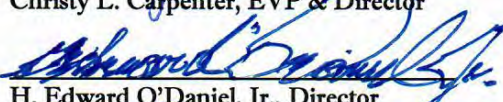
NOW THEREFORE BE IT RESOLVED that the Board of Directors of Springfield State Bank Inc. and Springfield Bankshares Inc., acting on behalf of all officers and employees of the Bank, hereby acknowledges and recognizes Robert F. Goodlett for 32 years of esteemed leadership as director and gentleman to everyone and:

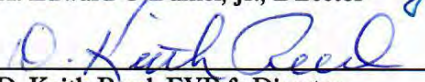
BE IT FURTHER RESOLVED that a copy of this Resolution become a part of the permanent records of Springfield State Bank Inc. and Springfield Bankshares Inc.


*This resolution was unanimously adopted by the Board of Directors of Springfield State Bank Inc. and Springfield Bankshares Inc. on the 5th day of December 2018.*

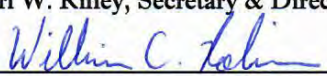
  
Robbie Polin, Pres./CEO & Chairman of the Board

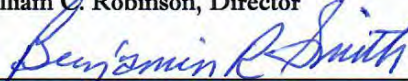
  
Christy L. Carpenter, EVP & Director

  
H. Edward O'Daniel, Jr., Director

  
D. Keith Reed, EVP & Director

  
Jerri W. Riney, Secretary & Director

  
William C. Robinson, Director

  
Benjamin R. Smith, Director

  
John P. Wharton, Director

# SEAY Releases HR Checklist

The Seay Human Resources Management Checklist ensures that you implement “best practices” in terms of policies, procedures, manuals and documents to hire and retain good employees and motivate them to superior performance. Here you will find our recommended areas of focus as we head into a new year.

## >| Update Your Employee Handbook

This is your fundamental employment document because it describes how you will handle work issues that arise with your employees. To meet that goal, it should be comprehensive and detailed.

## >| Understand the Different Types of Leave

Determine if your organization is covered by the federal Family and Medical Leave (FMLA) regulations. In most cases, an employer is covered if they have 50 or more employees within 75 miles of each other. Generally, an employee is eligible for FMLA if he or she has been employed for a year and has worked at least 1250 hours within that year.

## >| Address Social Networking

Employers should develop a policy on the use of social networking at work, taking into consideration sites like Facebook, Twitter and Instagram, etc. On the basis of NLRB regulations, employers should refrain from instructing employees about what they can and cannot post on Facebook or other social networking sites.

## >| Prevent Sexual Harassment

Conduct Sexual Harassment Awareness Training annually for all managers and employees, to build a wall of protection around your company. We recommend that every employer should have a policy, published in the employee handbook, which prohibits sexual harassment at work and outlines a procedure for reporting allegations of sexual harassment.

## >| Prevent Bullying In The Workplace

Bullying can be physical, emotional, and/or relational and often occurs online and through social media. To prevent, eliminate or reduce bullying at work, we recommend that you develop a strong anti-bullying policy and ensure you have a confidential and anonymous way for employees to report abuses.

## >| Implement a Drug Free Workplace Program

This policy can help to resolve potential drug issues at work, and lower your Workers’ Compensation premium. Employers have the right to prohibit employees from coming to work under the influence of drugs or alcohol and from bringing illegal drugs into the workplace. Even if marijuana is “legal” in your state, the employee still is not allowed to report to work under its influence.

## >| Update Affirmative Action Plan

If you are a covered employer, complete the annual update of your Affirmative Action Plan according to the regulations. To be covered, your organization must have 50 employees and federal government contracts of \$50,000 or more.



## >| EEO-1 and VETS 4212 Reports

The deadline for filing EEO-1 Reports for 2018 is March 31, 2019. Employers are required to complete this report each year if they have a workforce of 100 or more employees or if they serve as a government contractor with 50 or more employees. The EEO-1 Report is a breakdown of a company’s workforce by race, sex, ethnicity, EEO-1 category and location.

In compliance with the Vietnam Era Veterans’ Readjustment Assistance Act (VEVRAA) all VETS 4212 reports are due on September 30th of each year (employers must complete this if they have 100 employees or if they have 50 employees and an Affirmative Action Plan).

## >| Review Application and New Hire Packet

Ensure your hiring procedures are compliant with applicable regulations. Consider having employees complete the application form online, through your website, rather than in person. This can be a more efficient and less expensive process and may quickly identify those applicants who might be good candidates for your open positions. We recommend listing open positions on your website.

## >| Audit Job Descriptions

In addition to helping us manage employees, job descriptions are often a first line of defense, in the event of an EEOC or DOL investigation. Employers who are covered by the Affirmative Action regulations are required to have job descriptions.

## >| Submit New Hire Reports

Regularly submit your New Hire Reports to the state employment agency database.

>| **Update Employment Labor Posters**

Verify the company is displaying all the current federal, state and municipal applicable labor posters. Government contractors have additional special posters which must be displayed according to federal requirements.

>| **Organize I-9 Forms**

Review your I-9 forms for completion and keep on file for all employees. Verification requires employers to:

- Examine and record documents under Columns A or B and C.
- Make copies of the verification documents and attach them to the I-9 Form.
- File the I-9 Forms in a separate location, not with the regular employee file.

>| **Audit Employee Files**

Some employee documents are necessary for recordkeeping and reporting and are perfectly proper, but are of a personal, private or medical nature or have an EEO component. For these documents, have a confidential employee file, separate from the regular employee file.

>| **Time Records**

The Wage and Hour Division of the Department of Labor is targeting the question of “working time,” which regulations define laboriously as whenever an employee is “suffered or permitted to work.” If an employee is working, the employer is responsible for paying for this time, even if it was not authorized, and even if the employer didn’t know about it. This could include travel time, meal periods, time before and after regular work hours which can include use of digital devices.

>| **Documentation**

Make sure all of your Human Resources decisions and actions are fully and comprehensively documented, that you have developed and implemented a system of Progressive Discipline and that all of your supervisors and managers have been fully trained.

>| **Unemployment**

In an effort to reduce claims and benefits due to employees, keep the following in mind:

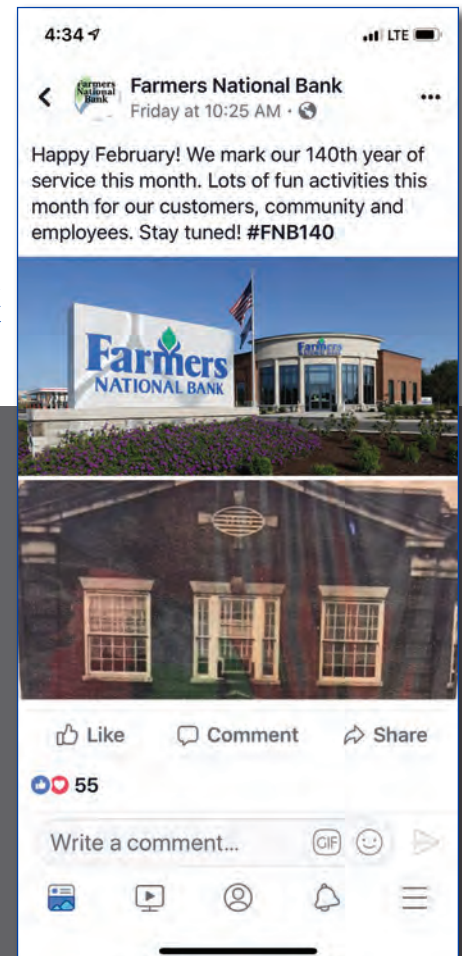
- If you dismiss an employee within the 90-day probationary period, whatever benefits may be awarded should not be charged to the employer’s account.
- Former employees should not be eligible for benefits if they are dismissed for misconduct or if they leave with “no good cause attributable to the employer.”
- Employees who are dismissed for performance reasons will almost always be awarded benefits.

**TESTIMONIAL**

*Seay Management has been a tremendous resource for First Community Bank. They helped rewrite our bank’s Employee Handbook, and when other personnel issues are identified, calling the experts at Seay Management for legal guidance has been extremely helpful. All community banks can benefit from the support provided by Seay Management.*

Ms. Cheryl Hartsell, Senior VP, President & COO  
First Community Bank of the Heartland, Clinton, KY

FEATURED  
FACEBOOK  
POST  
JAN/FEB



**BANK SHOTS ON FACEBOOK**

We want to celebrate every bank promotion and new hire with all our members. This is what Bank Shots is for. We only have a short space to include these in our magazine - much of the story gets missed. Where did they go to school? What branch will they be working? Where do they volunteer in their community?

For this reason, and to help build our Facebook community, we are moving your **Bank Shots** to the KBA Facebook page. Continue to send your promotions and new hires to [jfischer@kybankers.com](mailto:jfischer@kybankers.com) and within 48 hours your Bank Shot will appear on our page and in your feed. (Subject to KBA approval.)

**LIKE & FOLLOW US TO KEEP TABS ON THE KBA COMMUNITY**

To make sure you see all your bank and employee related posts, and to keep up with your Association’s community news, be sure to like our Facebook page, follow our posts and be sure to invite co-workers, associates, friends and family to like and follow our page.



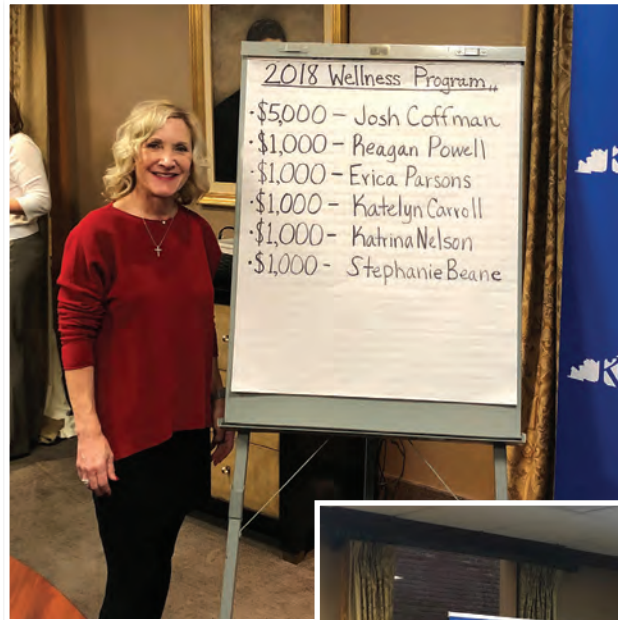
[www.facebook.com/kybankers](https://www.facebook.com/kybankers)

# 2018 Wellness Program Winners

The grand prize winners of the 2018 KBA Benefit Solutions Wellness Program were drawn January 23.

Here is the complete list of all the winners.

First Name	Last Name	Bank	Amount
Connie	DeVore	Bank of Columbia	\$500
Jacquitta	Childress	Bank of Edmonson County	\$500
Laura	Lindsey	Bank of Edmonson County	\$100
Lauren	Higginbotham	Bank of Jamestown	\$100
Adam	Johnson	Bank of Jamestown	\$100
Whitney	Johnson	Bank of Jamestown	\$100
Nina	McClure	Bank of Jamestown	\$100
Tiffany	Wilson	Bank of Jamestown	\$100
Vicky	Low	Bank of Maysville	\$100
Shelia	Sonntag	Citizens Bank of Cumberland County	\$500
Sharon	Blum	Citizens Bank of KY	\$500
Donna	Cassel	Citizens Bank of KY	\$500
Kathy	Kinner	Citizens Bank of KY	\$100
Sandra	Murphy	Citizens Bank of KY	\$500
Stephanie	Salyer	Citizens Bank of KY	\$100
Kristy	Turner	Citizens Bank of KY	\$100
Larry	Bruce	Citizens Union	\$100
Sue	Bruce	Citizens Union	\$100
Christina	Fry	Citizens Union	\$100
Brenda	Hall	Citizens Union	\$100
Bobbie	Totten	Citizens Union	\$500
Lisa	Wise	Citizens Union	\$100
Katelyn	Carroll	Commercial Bank of Grayson	\$1,000
Kimberly	Frasure	First & Peoples	\$100
Michael	Hill	First & Peoples	\$100
Kristina	Holtzapfel	First & Peoples	\$100
Robert	Sorrell	First & Peoples	\$100
Nancy	Long	First Federal Savings Bank of KY	\$100
Sheila	Boaz	First Kentucky Bank	\$100
Melissa	Clark	First Kentucky Bank	\$100
Kristie	Ferguson	First Kentucky Bank	\$100
Kathy	Haygood	First Kentucky Bank	\$100
Katrina	Nelson	First Kentucky Bank	\$1,000
Erica	Parsons	First Kentucky Bank	\$1,000
Amanda	Rorer	First Kentucky Bank	\$500
Kim	Carroll	First National Grayson	\$100
Traci	McDavid	First National Grayson	\$100
Freda	Richmond	First National Grayson	\$100
Sherri	Malone	First Natl Bank of Russell Springs	\$500
Jenny	Abbott	Fredonia Valley Bank	\$100
Evan	Cruce	Fredonia Valley Bank	\$100
Cindy	Cruce	Fredonia Valley Bank	\$100
Reagan	Powell	Home Savings Bank	\$1,000
Josh	Coffman	Hometown Bank	\$5,000
Brandon	Dizney	Hometown Bank	\$500
Debra	Gibbs	Hometown Bank	\$100
Shery	Logan	Hometown Bank	\$100
Aaron	Schuhmann	Hometown Bank	\$100
Jenny	Shelton	Hometown Bank	\$100
Tammy	Griffith	Magnolia Bank	\$100
Erienne	McGoun	Magnolia Bank	\$500
Mary	McAninch	Magnolia Bank	\$500
Stephanie	Beane	Morgantown B&T	\$1,000
Marlene	Geib	Murray Bank	\$100
Robert	Patterson	NetGain	\$500
Sabrina	McKenzie	Owingsville Banking Co	\$100
Cathy	Alford	Peoples B&T Owenton	\$500
Tina	McNay	Peoples B&T Owenton	\$500
Cheryl	Conyers	Peoples Bank of Kentucky	\$500
Patricia	Hart	Peoples Bank of Kentucky	\$100
Teresa	Schott	Peoples Bank of Taylorsville	\$100
Dorothy	Bickett	Springfield State	\$100
Valerie	Coleman	Springfield State	\$100
Joshua	Walker	Springfield State	\$100
Tammy	Morrison	Taylor County Bank	\$100
Sarita	Goff	Town & Country	\$500
Carrie	Morrison	Town & Country	\$100
Nancy	Allen	Wilson & Muir	\$100
Recka	Elder	Wilson & Muir	\$100



The Wellness Program awarded \$25,000 in winnings!

**IN MEMORIAL**

**SALEM MICHAEL GEORGE M.D SR.  
ADVISORY DIRECTOR  
COMMUNITY TRUST BANK, INC.  
CAMPBELLSVILLE, KENTUCKY**

WHEREAS, on October 15, 2018, Salem Michael George M.D. Sr. passed from this life; and

WHEREAS, the Advisory Board of Directors, Officers and Employees of Community Trust Bank, Inc., Campbellsville Market and the citizens of Lebanon and surrounding areas have experienced a great loss in the death of Salem Michael George M.D. Sr.; and

WHEREAS, Dr. George faithfully served as advisory director of Community Trust Bank, Inc. for 24 years.

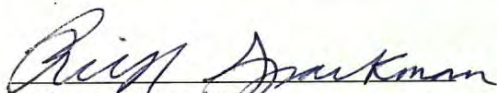
WHEREAS, Dr. George was committed to his community, church and profession where he provided decades of charitable medical care. He served on numerous boards and received many awards and recognitions, but his greatest pride was his family.

WHEREAS, the Advisory Directors, Officers and Employees of Community Trust Bank, Inc., Campbellsville Market are saddened and grieved by the death of our friend;

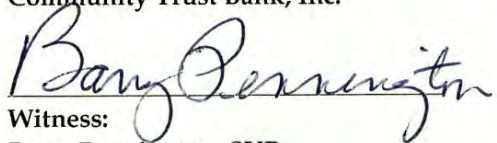
THEREFORE, BE IT RESOLVED, by the Advisory Board of Directors, which includes, Barry Bertram, Chairman, John Waldrop, Jerry Russell, Ricky Sparkman and Jimmy Whitlock of Community Trust Bank, Inc., Campbellsville Market, we hereby publicly express our heartfelt sympathy to the family in their loss and express our deep appreciation for the faithful service that Dr. George provided to the Bank and to our community and the deep sense of loss we share with them; and

BE IT FURTHER RESOLVED, that this resolution be made a permanent part of the official minutes of the Advisory Board of Community Trust Bank, Inc., Campbellsville Market and be furnished to the family.

This resolution was unanimously adopted by the Advisory Board of Directors of Community Trust Bank, Inc., Campbellsville Market on this 26<sup>th</sup> day of November 2018.



Ricky Sparkman, EVP  
Community Trust Bank, Inc.



Witness:  
Barry Pennington, SVP  
Community Trust Bank, Inc.



2019 KBA Spring Conference APRIL 14-16, 2019

# SUMMARY AGENDA

FOR MORE SPEAKER INFORMATION  
[www.kybanks.com/springconference](http://www.kybanks.com/springconference)

## Sunday, April 14, 2019

- 2:30-3:30 PM Registration Opens
- 3:30-4:30 PM Economist – Sponsored by Stifel
- 4:30-5:30 PM Keynote Speaker, Mitch Barnhart  
University of Kentucky Athletic Director
- 5:30-7:30 PM Reception (with heavy appetizers)

## Monday, April 15, 2019

- 8:00-8:30 AM Breakfast in the Exhibit Hall
- 8:30-9:20 AM You Bought It, So Why Don't They Use It?  
Technology & The Consumer  
David Carlson, Haberfeld

Community financial institutions have spent considerable resources on technology to enhance the customer and member experience. From online banking and bill pay systems, to eStatements and mobile banking, the assumption would be that more access equals more convenience. As a result, more people should be using these services. During this session we will explore barriers to onboarding these services, and we will learn some key action items related to increasing consumer utilization of technology within your institution.

- 9:20-10:10 AM Disruptive Innovation: The Time is Now!  
Henry Hawkins & Sam LaFollette, MCM

During this session, learn how to develop strategic initiatives for addressing how artificial intelligence, data analytics, and integrated systems can provide new approaches and insights for your bank. MCM presenters Henry Hawkins and Sam LaFollette will provide practical strategies to create efficient, results-driven disruption in disciplines important to your bank's safety and soundness. Leave the day with some takeaways to execute for 2019!

- 10:10-10:25 AM Break in the Exhibit Hall
- 10:25-11:15 AM C-Suite & Cybersecurity  
What Top Management Needs to Know  
Michael Carpenter, CAMS, NCRM, NCCO  
Risk Solutions Architect, Ncontracts

The number of financial institution U.S. data breach incidents tracked in 2017 hit a new record high of 1,579 breaches, according to the 2017 Data Breach Year-End Review released by the Identity Theft Resource Center® (ITRC) and CyberScout®. The Review indicates a drastic upturn of 44.7 percent increase over the record high figures reported for 2016. What would one breach do to your financial institution? Breaches can be highly preventable, provided you've assessed the risks and set forth the proper safeguards.

- 11:15 AM-12:15 PM State of the Kentucky Banking Industry  
Commissioner Charles Vice

## Monday, April 15, Afternoon

- 2:00 PM Golf Tournament (additional registration required)
- 3:00 PM KBPAC Foot Golf Fundraider  
VISIT: [www.kybanks.com/kbpacevents](http://www.kybanks.com/kbpacevents)  
INFO: [www.frenchlick.com/activities/outdoor/footgolf](http://www.frenchlick.com/activities/outdoor/footgolf)
- 6:30 PM Reception
- 7:00 PM Dinner
- 8:00 PM After-Party with the Louisville Crushers!

## Tuesday, April 16, 2019

- 8:00-8:30 AM Breakfast in the Exhibit Hall
- 8:30-9:30 AM Update on Regulatory Reform under US SB 2153  
Wayne Abernathy, American Bankers Association
- 9:30-9:45 AM Break in the Exhibit Hall
- 9:45-10:45 AM Banking HEMP Businesses Panel
- 10:45-11:45 AM KEYNOTE SPEAKER  
Top 10 Tips For Achieving Sales Excellence  
(From the Movies) by Joe Micallef, Grow UP Sales

Wayne A. Abernathy joined the American Bankers Association in February of 2005, and serves as Executive Vice President for Financial Institutions Policy and Regulatory Affairs. Mr. Abernathy oversees ABA groups that deal with policy development, regulatory and compliance issues, bank supervision and resolution, securities, wealth management, derivatives policy, and risk management.

Joe Micallef shares his passion for sales and movies in an entertaining presentation that combines valuable sales advice with memorable movie moments. With over 27 years of proven sales success, Joe will highlight his top 10 tips and techniques for achieving sales excellence. The audience will be further captivated by classic cinema quotes and scenes that perfectly compliment each sales tip to provide a more engaging and memorable experience.

At the conclusion of this session participants will take away a number of tactical and philosophical sales tips that they can immediately implement to improve their sales skills, behaviors and beliefs. They may also rediscover the joy of film and its power to reinforce new ideas.





# 2019 KBA Spring Conference

# REGISTER NOW

April 14-16, 2019  
 French Lick Resort & Hotel  
 REGISTRATION DEADLINE 4/5/2019

This institution does not discriminate with regard to race, age, religion, disability, sex or ethnic origin.

PRICE: KBA Members and Associate Members \$600 (Includes Two Receptions, Monday Dinner & Entertainment, Two Breakfasts)

NAME Mr. Ms. Mrs.	BANK NAME
TITLE	BANK STREET ADDRESS
NAME ON BADGE	BANK CITY/STATE/ZIP
EMAIL	PHONE

**Are you bringing a Spouse or Guest?** (\$250 each; includes Two Receptions, Monday Dinner & Entertainment)  
 YES Name(s): \_\_\_\_\_

**Are you playing golf?** (Monday, April 15, 2 PM Donald Ross GC)  
 YES \_\_\_\_\_ # of players (\$175 per person)  
 Name(s) of players \_\_\_\_\_

**\$ How would you like to pay?** MY TOTAL \$ \_\_\_\_\_

Check enclosed     Send invoice to the address above

Credit Card # \_\_\_\_\_ Exp \_\_\_\_\_ CVV \_\_\_\_\_

Credit Card Type \_\_\_\_\_

## REGISTER BY MAIL, EMAIL OR ONLINE

**MAIL REGISTRATION FORM**  
 KBA Spring Conference  
 600 W. Main St., Suite 400  
 Louisville, KY 40202

**PRINT, SCAN & EMAIL**  
 Send to:  
*nkaelin@kybanks.com*

**REGISTER ONLINE**  
<http://www.kybanks.com/springconference>  
 NOTE: When you register online you will receive confirmation, email reminder and a preview list of attendees.



### Room Reservations @ French Lick Hotel & Resort

It has fine dining, attractions, a winery, world class golf, history and a casino.  
 To make your room reservation visit <https://book.passkey.com/e/49808908>



RESOLUTION OF THE BOARD OF DIRECTORS OF  
HOMETOWN BANK AND HOMETOWN BANCSHARES, INC.,  
CORBIN, KENTUCKY

Mr. Donald G. Ashley  
Executive Vice President / Director

WHEREAS, *the Board of Directors wishes to acknowledge the many years of service given by Donald G. Ashley to Hometown Bank and Hometown Bancshares, Inc. and;*

WHEREAS, *Mr. Ashley served as a founding Director of Hometown Bank and Hometown Bancshares, Inc. from 2000 until his death on December 4, 2018.*

WHEREAS, *Mr. Ashley served the Bank and the Holding Company and the Whitley, Laurel and Knox County Kentucky communities with sound business judgement, loyalty, wisdom, integrity and dedication and;*

WHEREAS, *the Board of Directors wishes to express our respect and gratitude to our friend and colleague, Mr. Donald G. Ashley for his contributions to the Hometown Bank and Hometown Bancshares, Inc. and;*

NOW THEREFORE BE IT RESOLVED *that the Board of Directors of Hometown Bank and Hometown Bancshares, Inc. acting on behalf of all officers and employees of the Bank and Holding Company, hereby acknowledges and recognizes Donald G. Ashley for 18 years of leadership and;*

BE IT FURTHER RESOLVED *that a copy of the RESOLUTION becomes a part of the permanent records of Hometown Bank and Hometown Bancshares, Inc. to be presented to the Kentucky Bankers Association for publication as a reminder to all of Hometown Bank and Hometown Bancshares, Inc.'s appreciation for his service.*

*This Resolution was unanimously adopted by the Board of Directors of Hometown Bank and Hometown Bancshares, Inc. on the 13<sup>th</sup> of December 2018.*

Robert P. Hammons  
Chairman of the Board

Robert S. Terrell  
Director

Robert A. Walker  
Director

Timothy E. Barnes  
President & CEO / Director

K. Stuart House  
Director

Dallas R. Eubanks  
Director

Michael N. Mitchell  
Director

Christine Turner  
Director

Curt Wyatt  
Director

William Daniel  
Director



## RESOLUTION OF THE BOARD OF DIRECTORS OF HERITAGE BANK AND HERITAGE BANCORP INC., BURLINGTON, KENTUCKY

Arnold E. Caddell  
Founder

**WHEREAS**, the Board of Directors, management, and employees of Heritage Bank and Heritage Bancorp Inc. wish to express their deepest gratitude to our Founder, Past Chairman, and Vice Chairman, Arnold E. Caddell, upon this occasion, his retirement from our Board of Directors, and

**WHEREAS**, Mr. Arnold E. Caddell will be fondly remembered for his many contributions to the banking industry, including the vision and purpose which led to founding Heritage Bank in March 1990.

**WHEREAS**, Mr. Arnold E. Caddell did, during his tenure, initiate and lead Board decisions which resulted in the growth of 19 additional locations of Heritage Bank, allowing customers to have their financial needs met by local bankers who live and work in the communities they serve.

**WHEREAS**, Mr. Arnold E. Caddell made a deep and on-going commitment that Heritage Bank remain as an independently owned and operated community bank, believing that community banks are the lifeblood of their neighborhoods and that it is the Bank's humble privilege to walk hand in hand with our customers as they pursue their dreams.

**NOW, THEREFORE BE IT RESOLVED** that this Board extends their heartfelt congratulations and thanks to Mr. Arnold E. Caddell, who is retiring effective December 31, 2018. The Board recognizes the loyalty, pride and dedication exhibited by Mr. Arnold E. Caddell with wishes that his retirement be a time of celebration and gratitude for a life well-lived.

**BE IT FURTHER RESOLVED** that this resolution be recorded in the minutes of Heritage Bancorp Inc. and that copies be presented to Mr. Arnold E. Caddell, local media and the Kentucky Bankers Association.

This resolution is unanimously adopted by the Board of Directors of Heritage Bank and Heritage Bancorp Inc. on **December 19, 2018**.

Chris Caddell  
Chairman of the Board

Charolette Vermillion  
Director

Gary C. Griesser  
Director

Dan Catalano  
Director

H. Lytle Thomas  
President / CEO

Larry Burcham  
Director

Robert Lightner  
Director

Gary Wilmhoff  
Director

David Wallace  
Legal Counsel

Verne Epperson  
Director

