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THE HONORABLE CURTIS. M. LOFTIS, JR.
State Treasurer

Chairman Pro Tempore

HOWARD H. WRIGHT, JR.



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F. JUSTIN STRICKLAND | *Lexington*
J. DANIEL WALTERS | *Greenville*
K. WAYNE WICKER | *Myrtle Beach*
J. BARRY HAM | *Manning*
CHARLES H. STUART | *Mount Pleasant*
BILLY D. BYRD, II | *Hartsville*
JENNY MICHAELS | *Sumter*
THOMAS BOUCHETTE | *Florence*

SOUTH CAROLINA
STATE BOARD OF FINANCIAL INSTITUTIONS

MINUTES

Wednesday, June 1, 2022

10:00 AM

**Governor's Conference Room
and via WebEx Virtual Conference Room**

Upon proper call and due notice to all its members and after having given required public notice, the State Board of Financial Institutions met on the 1st day of June 2022 with Chairman Loftis presiding.

Members present: Ms. Michaels and Messrs. Pennington, Wright, Strickland, Walters, Wicker, Ham, Stuart, and Bouchette.

The Chairman stated that a quorum was present.

Staff present:

Consumer Finance Division: Commissioner Ron Bodvake, Deputy Commissioner Quinton Creed, and Deputy Commissioner Phyllis Wicker.

Banking Division: Commissioner Kathy Bickham, Review Examiner Diedre Fulmer

State Treasurer's Office: Chief of Staff Clarissa Adams, Deputy State Treasurer Cynthia Dannels, Deputy General Counsel Bill Condon, Deputy General Counsel Shawn Eubanks, Human Resources Manager Lisa O'Sullivan, Fiscal Analyst Cameron Larkin, Executive Assistant Edward Frazier, and Executive Assistant Lisa Gibson.

The Agenda for this meeting was approved by General Consent.

The April 6, 2022 Board Meeting Minutes were approved by General Consent.

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Mr. Wicker submitted a written statement recusing himself from all matters regarding South Atlantic Bank because he is associated with this business and has an economic interest in the decision to be made by this Board.

Mr. Bouchette submitted a written statement recusing himself from all matters regarding The Citizen's Bank because he is associated with this business and has an economic interest in the decision to be made by this Board.

No other conflicts of interest were identified

The Chairman recognized Dan Walters on his recent reappointment to the Board of Financial Institutions.

Committee Reports

Mr. Pennington notified the Board The **Budget and Operations Committee** met on April 13th. Commissioner Bodvake provided the Committee with an IT update and both Commissioners provided an overview of the Quarterly Operating Expense Report. The next Committee meeting is scheduled for July 21, 2022.

Mr. Strickland notified the Board that The **Policy and Planning Committee** met on May 13th. Commissioner Bodvake provided an update on record retention and OnBase. Commissioner Bickham provided an update on the new examination database and an update on office renovations related to recent organizational changes. The Committee reviewed and discussed the draft evaluation and planning stage documents for Commissioner Bodvake and the planning stage document for Commissioner Bickham. The Committee voted to approve forwarding these drafts to the full Board for review during today's executive session. The next Committee meeting is scheduled for September 7th.

Mr. Ham notified the Board that The **Legislative and Regulatory Committee** met on May 26th. Commissioners Bickham and Bodvake provided a legislative update. The Committee reviewed and discussed potential impacts of, and commended STO legal and Banking Division staff for their work on the proposed policy statement regarding trust business by non-depository entities as presented by Commissioner Bickham and Mr. Eubanks. Ms. Bickham noted the benefits of clarity for The Division. The Committee voted to recommend the proposed policy statement for approval by the Board. The next Committee meeting is scheduled for August 25th.

On motion of Mr. Stuart and duly seconded by Mr. Wright, the Board voted to adopt the proposed policy statement as discussed.

Commissioner of Consumer Finance, Ron Bodvake informed the Board of a Mortgage Examiner resignation with ongoing recruitment in place for that position. Commissioner Bodvake announced several upcoming meetings and conferences that will be in person. The Commissioner notified the Board that six new Level II Check Cashing applications were received in April and May and that Field Examiners have begun investigations in Horry County. Commissioner Bodvake provided the Board with the Monthly Statistics Report, Approved Consumer Licensees Report, and a report from

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Veritec regarding Covid-19's impact on small dollar lending. Commissioner Bodvake emphasized that Deferred Presentment activity decreased significantly throughout the pandemic.

Commissioner of Banking, Kathy Bickham updated the Board on recent staff attendance at the NASCUS National Regulator Meeting and the CSBS District III Spring Meeting. Commissioner Bickham informed the Board that Janeen Hughes and Remonia Wright were both promoted to the role of Deputy Commissioner of Banking, Patrick Ludwiczak was hired as an Assistant Examiner, and Briannah Black was hired as an Executive Assistant. Commissioner Bickham notified the Board of an action she took under delegated authority which was to approve a request from South Atlantic Bank in Myrtle Beach, SC to relocate a branch in Charleston, SC. Mr. Wright asked how Commissioner Bickham planned to inform the industry on the new policy statement just voted on by the Board. The policy will be posted to the BOFI website and Mr. Eubanks has informed lawyer groups of the change.

Executive Session

The Board voted unanimously to adjourn into Executive Session.

Deputy General Counsel Bill Condon stated that The Board will enter Executive Session to discuss requests by and other information about regulated persons, to discuss negotiations incident to contract terms and two settlement agreements, to discuss the Commissioner's EPMS process, and to receive legal advice as needed.

The Board voted unanimously to end Executive Session.

Actions following Executive Session:

On motion of Mr. Strickland and duly seconded by Mr. Bouchette, the Board voted to approve the request of Farmers and Merchants Bank of South Carolina, Holly Hill, South Carolina, for approval to pay a cash dividend in the amount requested by the bank subject to any conditions provided by the Commissioner of Banking in Executive Session.

Mr. Bouchette exited the meeting

On motion of Mr. Walters and duly seconded by Mr. Pennington, the Board voted to approve the request of The Citizens Bank, Olanta, South Carolina, for approval to pay a cash dividend in the amount requested by the bank subject to any conditions provided by the Commissioner of Banking in Executive Session.

Mr. Bouchette returned to the meeting

On motion of Mr. Bouchette and duly seconded by Mr. Walters, the Board voted to approve the application of Coastal States Bank, Hilton Head Island, South Carolina, to establish a branch at 2841 Akers Mill Road, Atlanta, Georgia subject to any conditions provided by the Commissioner of Banking in Executive Session.

Mr. Wicker exited the meeting

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On motion of Mr. Bouchette and duly seconded by Mr. Pennington, the Board voted to approve the application of South Atlantic Bank, Myrtle Beach, South Carolina, to establish a branch at 11 E. Robert Smalls Parkway, Beaufort, South Carolina subject to any conditions provided by the Commissioner of Banking in Executive Session.

Mr. Wicker returned to the meeting

On motion of Mr. Walters and duly seconded by Mr. Pennington, the Board voted to ratify the Chairman's approval of the request of Southern First Bank, Greenville, South Carolina, to relocate its Greenville branch from 100 Verdae Boulevard, Greenville, to 6 Verdae Boulevard, Greenville, and to designate the office at 6 Verdae Boulevard, Greenville, as the Main Office subject to any conditions provided by the Commissioner of Banking in Executive Session.

On motion of Mr. Wright and duly seconded by Mr. Pennington, the Board voted to ratify the Chairman's approval of the request of Diversified Trust Company, Inc., Memphis, Tennessee, to conduct trust business in South Carolina by establishing a branch at 205 King Street, Suite 200, Charleston, South Carolina, subject to any conditions provided by the Commissioner of Banking in Executive Session.

On motion of Mr. Strickland and duly seconded by Mr. Walters, the Board voted to ratify the Chairman's approval of the application of Nucor Employee's Credit Union, Florence, South Carolina, to establish a branch at 7301 East County Road 142, Blytheville, Arkansas subject to any conditions provided by the Commissioner of Banking in Executive Session.

On motion of Mr. Strickland and duly seconded by Mr. Bouchette, the Board voted to approve the request by the Commissioner of Consumer Finance to negotiate and execute two settlement agreements concerning unlicensed check cashing activity with a regulated entity in accordance with the terms discussed in Executive Session.

On motion of Mr. Strickland and duly seconded by Mr. Bouchette, the Board voted to approve the evaluation and planning stage documents for Commissioner Bodvake and the planning stage document for Commissioner Bickham as discussed in Executive Session.

Announcements:

The Chairman announced that the next board meeting is scheduled for Wednesday, August 3, 2022.

There being no objection, the meeting adjourned at 12:32 PM.