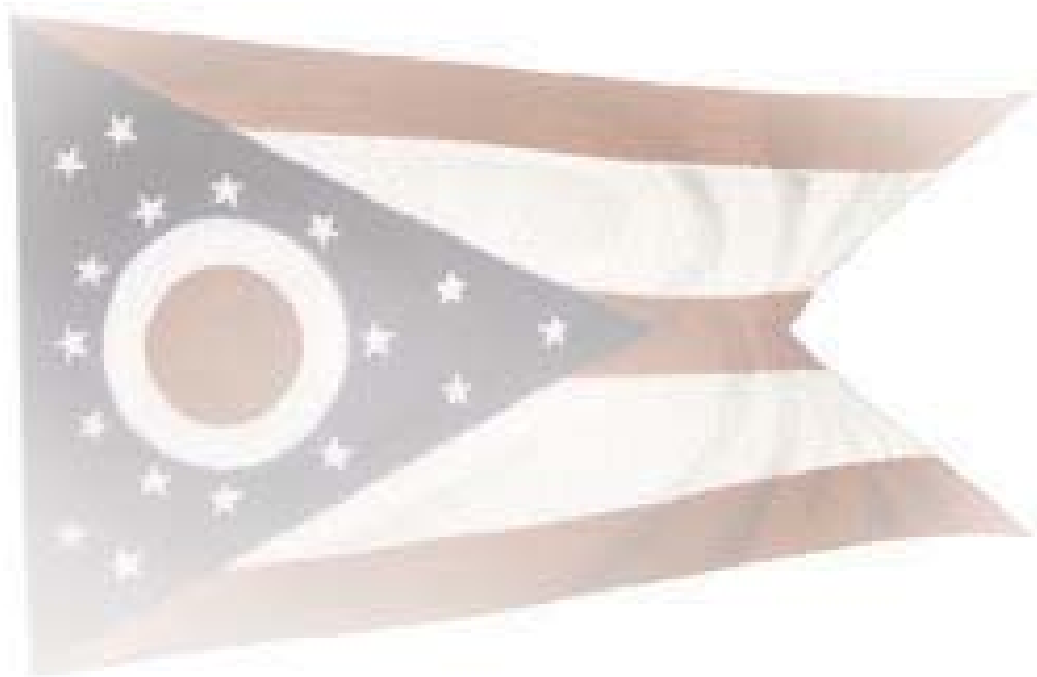


Ohio Department of Commerce

Annual Report 2004

For the Divisions of Financial Institutions, Liquor Control and State Fire Marshal



Ohio Department of Commerce
77 S. High St. 23rd Floor
Columbus, OH 43215-6123

Bob Taft
Governor

Lt. Governor Jennette Bradley
Director

www.com.state.oh.us



Dear Governor Bob Taft:

It is my pleasure to present to you the Fiscal Year 2004 Annual Report of the Ohio Department of Commerce.

As public servants in one of the state's chief regulatory agencies, the employees of the Ohio Department of Commerce (DOC) are proud to provide regulation, consumer protection and related services that strengthen the economy of Ohio.

As required by Ohio law, this Fiscal Year 2004 Annual Report is designed to provide you with data and other information relating to three Department of Commerce Divisions: Financial Institutions, Liquor Control and State Fire Marshal. The past year has brought significant achievement throughout our Department, including the three divisions that are the focus of this report.

The most recent figures show that the assets of state-chartered institutions supervised by the Department's Division of Financial Institutions have reached a record \$121.9 billion. Staff in the Division's Office of Consumer Affairs continued their efforts to combat abusive lending practices and provided education to residents of this state regarding borrowing and related financial topics.

The Division of Liquor Control transferred a record \$118 million to the state's General Revenue Fund to the benefit of Ohio taxpayers. The State Fire Marshal's office provided training to almost 11,000 emergency responders and participated in a three-state Southwest Regional Bio-terrorism exercise involving Ohio, Indiana and Kentucky.

We are proud of these achievements and look forward to providing the citizens of Ohio with exemplary service in the years ahead.



*Lieutenant Governor
Jennette Bradley,
Director*

Jennette Bradley

Lieutenant Governor Jennette Bradley
Director

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Financial Institutions

Fiscal Year 2004 Annual Report

The Division of Financial Institutions (DFI) regulates Ohio's state-chartered financial institutions and consumer finance companies. The Division charters depository institutions, licenses non-depository financial services, and conducts on-site examinations. Financial institutions include banks, savings and loans, savings banks and credit unions. Consumer finance organizations include check cashing services, check casher lenders, credit service organizations, insurance premium finance companies, mortgage brokers, pawnbrokers, precious metals dealers, second mortgage businesses, and small loan businesses. All examinations, supervision, and regulatory activities are performed by Division staff who specialize in the operations of each of the specific industries. The Division's Office of Consumer Affairs works to provide education to residents of this state regarding borrowing and related financial topics.

Bank Supervision

Industry consolidation continues to reduce the number of state-chartered banks from 108 as of June 30, 2003, to 106 as of June 30, 2004 -- a two percent decrease. Aggregate assets of state-chartered banks increased approximately 11 percent to \$102.6 billion as of year-end 2003.

Based on examination results, most state banks in Ohio are in sound financial condition with 87 percent rated "1"

or "2" at their last examination. The remaining 13 percent are rated "3" or "4," under close supervision, and predominantly operating under a regulatory agreement. There are no "5" rated banks, and no bank is in imminent danger of failure. In addition, the Division regulates two trust-only banks and 15 trust departments within state-chartered banks.

COMPOSITE RATINGS FOR STATE-CHARTERED BANKS

| Rating | June 30, 2002 | | June 30, 2003 | | June 30, 2004 | |
|-------------|---------------|------|---------------|------|---------------|------|
| | Num. | Pct. | Num. | Pct. | Num. | Pct. |
| Composite 1 | 30 | 26% | 22 | 26% | 23 | 22% |
| Composite 2 | 73 | 65% | 76 | 65% | 69 | 65% |
| Composite 3 | 10 | 9% | 10 | 8% | 12 | 11% |
| Composite 4 | 0 | 0 | 2 | 1% | 2 | 2% |
| Composite 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 113* | 100% | 110 | 100% | 106 | 100% |

*One *de novo* charter not rated.

With regard to supervisory actions, the Division entered into six informal Memorandums of Understanding and two formal Written Agreements with banks during the fiscal year.

During the past year, the Division adopted an examination program utilized by the Federal Deposit Insurance Corporation known as MERIT (Maximum Efficiency, Risk-Focused, Institution Targeted). The program is designed to significantly reduce the amount of on-site examination presence for highly rated, well managed banks and also utilizes various off-site surveillance data.

In April 2004, Ohio Bankers' Day was attended by senior officers and directors of state banks. A series of informal roundtables were conducted during the Summer of 2003.

The Division continues to support examiner education by combining resources with federal and other state agencies. The Division and the Federal Reserve Bank of Cleveland collaborated to sponsor a conference in Columbus.

Money transmission licenses are growing both in terms of electronic transmission and foreign transmission by immigrants sending money back to their home countries. The Division renewed 15 domestic and 19 foreign money transmitter licenses while also issuing three new domestic and five new foreign licenses. Finally, new application procedures were developed and implemented which include a review for compliance with federal money laundering and terrorist funding laws and regulations.

Banking Commission

The Banking Commission consists of the Deputy Superintendent for Banks, who serves as chairman, and six members appointed by the Governor with the advice and consent of the Senate. The Commission advises the Superintendent of Financial Institutions and the Deputy Superintendent for Banks on any matter they submit to it and confirms the annual schedule of assessments. Members are unpaid but are reimbursed for travel expenses. Current members of the Banking Commission are:

BANKING COMMISSION

| Name | Affiliation | Term Expires | Representing |
|----------------------------|------------------------------------|----------------------------|---|
| Michael O. Roark | Deputy Superintendent for Banks | Coincides with Appointment | Division of Financial Institutions |
| Richard R. Hollington, Jr. | Sky Financial Group, Bowling Green | January 31, 2005 | Director of state-chartered bank |
| James R. Hubbard | Fifth Third Bank, Cincinnati | January 31, 2005 | Executive officer of state-chartered bank |
| Charlotte W. Martin | Great Lakes Bankers' Bank, Gahanna | January 31, 2006 | CEO/Executive officer of state-chartered bank Specialty bank |
| Zuheir Sofia | Sofia & Company, Columbus | January 31, 2006 | Representative of Banking Industry |
| Marlene K. Barkheimer | Farmers State Bank, West Salem | January 31, 2007 | CEO/Executive officer of state-chartered bank |
| Tiney M. McComb | Heartland BancCorp, Gahanna | January 31, 2007 | CEO/Executive officer of state-chartered bank |

Ohio-Chartered Banks - as of 12-31-2003 (000s omitted)

| Bank Name | City | Total Assets |
|--|----------------|---------------------|
| The Andover Bank | Andover | \$249,416 |
| The Antwerp Exchange Bank Company | Antwerp | \$53,165 |
| The Apple Creek Banking Company | Apple Creek | \$73,901 |
| The Farmers & Merchants State Bank | Archbold | \$703,722 |
| The Citizens Bank of Ashville, Ohio | Ashville | \$84,646 |
| The Hocking Valley Bank | Athens | \$167,421 |
| Sutton Bank | Attica | \$235,086 |
| The Rockhold, Brown & Company Bank | Bainbridge | \$31,872 |
| The Baltic State Bank | Baltic | \$24,128 |
| The Bartlett Farmers Bank | Barlow | \$43,845 |
| The Citizens Bank Company | Beverly | \$71,216 |
| The Monitor Bank | Big Prairie | \$23,961 |
| The First Bremen Bank | Bremen | \$270,198 |
| The Farmers Citizens Bank | Bucyrus | \$149,890 |
| The Farmers and Merchants Bank | Caldwell | \$62,148 |
| Community First Bank & Trust | Celina | \$681,271 |
| Anderson Bank Company | Cincinnati | \$55,122 |
| Fifth Third Bank | Cincinnati | \$56,682,854 |
| The North Side Bank and Trust Company | Cincinnati | \$390,058 |
| The Provident Bank | Cincinnati | \$16,980,253 |
| The Savings Bank | Circleville | \$197,541 |
| The Clarksburg Commercial Bank | Clarksburg | \$17,361 |
| ShoreBank, Cleveland | Cleveland | \$64,890 |
| The Clyde Savings Bank Company | Clyde | \$88,474 |
| The Peoples Bank Co. | Coldwater | \$252,833 |
| First City Bank | Columbus | \$52,088 |
| First Community Bank | Columbus | \$96,528 |
| The Union Bank Company | Columbus Grove | \$497,400 |
| The Cortland Savings and Banking Company | Cortland | \$433,355 |
| Ohio Heritage Bank | Coshocton | \$171,264 |
| THE COMMUNITY BANK | Crooksville | \$127,428 |
| The Custar State Bank | Custar | \$52,057 |
| The State Bank and Trust Company | Defiance | \$407,394 |
| The Citizens Bank of DeGraff | DeGraff | \$28,730 |
| The Commercial Bank | Delphos | \$207,733 |
| The Corn City State Bank | Deshler | \$48,931 |
| The Edon State Bank Company, of Edon, Ohio | Edon | \$63,738 |

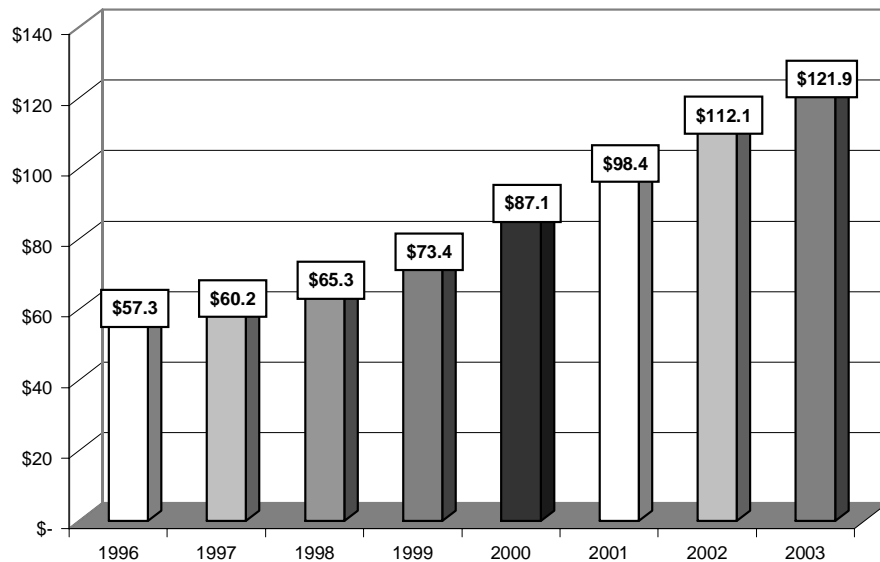
Ohio-Chartered Banks - as of 12-31-2003 (000s omitted)

| Bank Name | City | Total Assets |
|--|---------------|---------------------|
| The Fort Jennings State Bank | Fort Jennings | \$90,423 |
| The Croghan Colonial Bank | Fremont | \$402,463 |
| Great Lakes Bankers Bank | Gahanna | \$43,555 |
| Heartland Bank | Gahanna | \$345,325 |
| The Ohio Valley Bank Company | Gallipolis | \$696,410 |
| The Peoples Bank | Gambier | \$37,958 |
| The Genoa Banking Company | Genoa | \$167,847 |
| The Hamler State Bank | Hamler | \$50,877 |
| The Hicksville Bank | Hicksville | \$137,310 |
| The Citizens Bank of Higginsport, Ohio | Higginsport | \$105,175 |
| Independence Bank | Independence | \$148,547 |
| Ohio River Bank | Ironton | \$76,534 |
| Oak Hill Banks | Jackson | \$928,151 |
| The Killbuck Savings Bank Company | Killbuck | \$284,714 |
| Miami Valley Bank | Lakeview | \$140,983 |
| The Glouster Community Bank | Lancaster | \$117,418 |
| The Salt Creek Valley Bank | Laurelville | \$34,097 |
| The Delaware County Bank and Trust Company | Lewis Center | \$551,180 |
| The Citizens Bank of Logan, Ohio | Logan | \$161,959 |
| The Citizens Bank of London | London | \$56,453 |
| Buckeye Community Bank | Lorain | \$74,825 |
| The Exchange Bank | Luckey | \$101,825 |
| The Bank of Magnolia Company | Magnolia | \$58,614 |
| The Richland Trust Company | Mansfield | \$577,540 |
| The Marblehead Bank | Marblehead | \$26,358 |
| Settlers Bank | Marietta | \$63,005 |
| The Fahey Banking Company | Marion | \$183,393 |
| The Marion Bank | Marion | \$110,851 |
| The Citizens Savings Bank | Martins Ferry | \$266,582 |
| Western Reserve Bank | Medina | \$104,280 |
| The Metamora State Bank | Metamora | \$45,090 |
| Farmers & Merchants Bank | Miamisburg | \$75,609 |
| The Middlefield Banking Company | Middlefield | \$261,830 |
| CenterBank | Milford | \$37,520 |
| The Commercial and Savings Bank of Millersburg, Oh | Millersburg | \$305,578 |
| Minster Bank | Minster | \$222,528 |
| The Mt. Victory State Bank | Mount Victory | \$11,688 |

Ohio-Chartered Banks - as of 12-31-2003 (000s omitted) continued

| Bank Name | City | Total Assets |
|--|-----------------|----------------------|
| The Henry County Bank | Napoleon | \$190,387 |
| The Farmers State Bank of New Madison, Ohio | New Madison | \$94,150 |
| The Peoples Savings Bank | New Matamoras | \$37,292 |
| The Farmers State Bank of New Washington, Ohio | New Washington | \$140,487 |
| The Old Fort Banking Company | Old Fort | \$293,870 |
| Osgood State Bank | Osgood | \$94,671 |
| The Ottoville Bank Company | Ottoville | \$57,619 |
| The Pataskala Banking Company | Pataskala | \$34,808 |
| The Farmers Bank and Savings Company | Pomeroy | \$144,320 |
| Portage Community Bank | Ravenna | \$105,489 |
| The Republic Banking Company | Republic | \$26,535 |
| The Richwood Banking Company | Richwood | \$153,001 |
| Sky Bank | Salineville | \$11,844,146 |
| The Citizens Banking Company | Sandusky | \$498,201 |
| The Sherwood State Bank | Sherwood | \$33,989 |
| Commodore Bank | Somerset | \$60,465 |
| The Farmers Savings Bank | Spencer | \$210,875 |
| First Safety Bank | St. Bernard | \$52,226 |
| The St. Henry Bank | St. Henry | \$152,817 |
| First Bank of Ohio | Tiffin | \$113,880 |
| The Commercial Savings Bank | Upper Sandusky | \$273,444 |
| Savings Bank and Trust | Wadsworth | \$381,878 |
| The Waterford Commercial and Savings Bank | Waterford | \$28,157 |
| The Milton Banking Company | Wellston | \$68,468 |
| The Twin Valley Bank | West Alexandria | \$33,325 |
| The First State Bank of West Manchester | West Manchester | \$15,139 |
| The Union Banking Company | West Mansfield | \$85,819 |
| Farmers State Bank | West Salem | \$63,037 |
| The First State Bank of Adams County | Winchester | \$118,721 |
| The Guernsey Bank | Worthington | \$58,288 |
| Spring Valley Bank | Wyoming | \$48,879 |
| North Valley Bank | Zanesville | \$105,362 |
| | | \$102,566,158 |

**Total Assets Depository Institutions
As of 12-31 (In Billions)**



** Years indicated are Calendar Years*

SUMMARY OF INSTITUTIONS REGULATED

| Type of Institution | FY 01 | FY 02 | FY 03 | FY 04 |
|---|--------------|---------------|---------------|---------------|
| <u>Depository Institutions</u> | | | | |
| Banks | 118 | 114 | 108 | 106 |
| Trust Only Banks | 2 | 2 | 2 | 2 |
| Credit Unions | 265 | 261 | 248 | 234 |
| Savings and Loan Associations | 46 | 41 | 36 | 36 |
| Savings Banks | 26 | 25 | 27 | 27 |
| Total Depository Institutions | 457 | 443 | 421 | 405 |
| <u>Money Transmitters</u> | | | | |
| Domestic Money Transmitters | 15 | 17 | 16 | 18 |
| Foreign Money Transmitters | 17 | 18 | 19 | 24 |
| Total Money Transmitters | 32 | 35 | 35 | 42 |
| <u>Non-Depository Financial Services Organizations</u> | | | | |
| Check Cashers | 807 | 903 | 1,060 | 1,294 |
| Check Casher Lenders | 717 | 816 | 983 | 1,209 |
| Credit Service Organizations | 3 | 5 | 5 | 5 |
| Insurance Premium Finance Lenders | 47 | 47 | 52 | 51 |
| Mortgage Brokers | 1,429 | 1,543 | 2,021 | 2,107 |
| Mortgage Broker Licensed Loan Officers | N/A | 4,960 | 7,444 | 7,715 |
| Mortgage Loan Registrants | 3,281 | 2,733 | 2,435 | 2,428 |
| Pawnbrokers | 192 | 177 | 173 | 165 |
| Precious Metals Dealers | 24 | 23 | 21 | 20 |
| Small Loan Licensees | 54 | 65 | 80 | 83 |
| Total Non-Depository Licensees | 6,554 | 11,272 | 14,274 | 14,744 |
| Total Regulated | 7,043 | 11,750 | 14,730 | 15,191 |

Credit Union Supervision

During Fiscal Year 2004, the total number of credit unions regulated declined from 248 as of June 30, 2003 to 234 as of June 30, 2004 -- a six percent decrease, which is primarily a result of mergers. Aggregate assets of state-chartered credit unions increased approximately six percent to \$8.5 billion as of year-end 2003.

Examination results continue to indicate that the majority of Ohio's state-chartered credit unions are in sound financial condition. The latest examinations reflect Strong or Satisfactory ratings for 75 percent of the total. All credit unions with Composite "3" ratings are under varying levels of supervision. The 12 Composite "4" credit unions have aggregate assets of \$62 million, less than one percent of the more than \$8.4 billion in credit union assets regulated by the Division. The net worth ratios of the Composite "4"

institutions range from 4.42 percent to 52.46 percent. Each Composite "4" institution is being closely monitored through periodic status reports, visitations, or formal supervisory actions, and the likelihood of further deterioration is remote.

There were 6 formal supervisory agreements against credit unions at the close of the fiscal year.

The Division continues to emphasize outreach with the credit union movement. In April 2004, the Superintendent and Deputy Superintendent attended the Ohio Credit Union League's Annual Conference held in Cincinnati, Ohio, where they participated in a regulatory discussion panel which included both federal and state regulatory agencies. Division participants also attended the Credit Union League's annual Governmental Affairs Conference.

Credit Union Council

The Credit Union Council consists of the Deputy Superintendent for Credit Unions, who serves as chairman, and six members appointed by the Governor with the advise and consent of the Senate. The Council advises the Superintendent and the Deputy Superintendent for Credit Unions on any matters they submit related to credit union laws and rules. Members are unpaid but are reimbursed for travel expenses. Current members of the Council are:

CREDIT UNION COUNCIL

| Name | Affiliation | Term Expires | Representing |
|----------------------------|--|----------------------------|--|
| Kenneth A. Roberts | Acting Deputy Superintendent for Credit Unions | Coincides with Appointment | Division of Financial Institutions |
| Patrick McGrady, CEO | Toledo Area Community Credit Union | September 22, 2004 | Executive officer of federally insured, state-chartered credit union, over \$5 million |
| Deanna K. Meyer, CEO | Ohio Valley Community Credit Union | September 22, 2004 | Executive officer of federally insured, state-chartered credit union, over \$5 million |
| Julianne Bruzina, Manager | St. James Parish Credit Union, Inc. | September 22, 2005 | Executive officer of federally insured, state-chartered credit union less than \$5 million |
| John Lattanzi, Director | Credit Union One, Inc. | September 22, 2005 | Representative of Credit Union Industry State-chartered, privately insured credit union |
| Thomas L. Furrey, CEO | Western Credit Union, Inc. | September 22, 2006 | Executive officer of federally insured, state-chartered credit union, over \$5 million |
| Linda M. Williams, Manager | Akron Firefighters' Credit Union, Inc. | September 22, 2006 | Executive officer of privately insured, state-chartered credit union, over \$5 million |

COMPOSITE RATINGS FOR STATE-CHARTERED CREDIT UNIONS

| <i>Rating</i> | <i>June 30, 2002</i> | | <i>June 30, 2003</i> | | <i>June 30, 2004</i> | |
|---------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| | Num. | Pct. | Num. | Pct. | Num. | Pct. |
| Composite 1 | 59 | 23% | 51 | 21% | 50 | 21% |
| Composite 2 | 132 | 51% | 130 | 52% | 126 | 54% |
| Composite 3 | 57 | 22% | 55 | 22% | 46 | 20% |
| Composite 4 | 13 | 5% | 12 | 5% | 12 | 5% |
| Composite 5 | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 261 | 100% | 248 | 100% | 234 | 100% |

Ohio-Chartered Credit Unions - as of 12-31-2003 (000s omitted) continued

| Credit Union Name | City | Total Assets |
|--|-----------------|---------------------|
| Akron Firefighters' Credit Union, Inc. | Akron | \$13,584 |
| Akron Municipal Employee's Credit Union, Inc. | Akron | \$5,133 |
| Akron Police Department Credit Union, Inc. | Akron | \$10,723 |
| Akron Teachers' Credit Union, Inc. | Akron | \$59,906 |
| Beacon Credit Union, Inc. | Akron | \$2,449 |
| Buckeye State Credit Union, Inc. | Akron | \$64,560 |
| FirstEnergy Family Credit Union, Inc. | Akron | \$39,849 |
| Goodyear Employees Credit Union, Inc. | Akron | \$4,394 |
| North East Catholic Credit Union, Inc. | Akron | \$178 |
| TeleCommunity Credit Union, Inc. | Akron | \$33,034 |
| Transue & Williams Employees Credit Union, Inc. | Alliance | \$7,448 |
| Ashtabula County School Employees Credit Union, Inc. | Ashtabula | \$49,746 |
| Lighthouse Community Credit Union, Inc. | Ashtabula | \$6,800 |
| Hocking Valley Credit Union, Inc. | Athens | \$12,946 |
| Ohio University Credit Union, Inc. | Athens | \$158,036 |
| Lakeshore Community Credit Union, Inc. | Avon Lake | \$17,077 |
| The Catholic Credit Union, Inc. | Avon Lake | \$8,722 |
| Sharefax Credit Union, Inc. | Batavia | \$167,883 |
| A/C Credit Union, Inc. | Bath | \$10,618 |
| Bedford School Employees Credit Union, Inc. | Bedford | \$6,067 |
| Polish Combatants Credit Union, Inc. | Bedford | \$105 |
| Cleveland Coca-Cola Bottling Employees' Credit Union, Inc. | Bedford Heights | \$144 |
| Riverview Credit Union, Inc. | Belpre | \$25,777 |

Ohio-Chartered Credit Unions - as of 12-31-2003 (000s omitted) continued

| Credit Union Name | City | Total Assets |
|---|-------------------|---------------------|
| Brecksville School Employees Credit Union, Inc. | Broadview Heights | \$5,207 |
| Assumption Parish, Cleveland Credit Union, Inc. | Brook Park | \$813 |
| Brooklyn School Employees Credit Union, Inc. | Brooklyn | \$1,409 |
| Geauga Credit Union, Inc. | Burton | \$18,822 |
| Caldwell CGB Employees Credit Union, Inc. | Caldwell | \$1,678 |
| Southeastern Ohio Credit Union, Inc. | Cambridge | \$11,651 |
| Tri-County Credit Union, Inc. | Canfield | \$14,552 |
| Canton Police and Firemen's Credit Union, Inc. | Canton | \$6,780 |
| Golden Circle Credit Union, Inc. | Canton | \$73,669 |
| Sugardale Employees Credit Union, Inc. | Canton | \$3,223 |
| Kyger Creek Credit Union, Inc. | Cheshire | \$11,624 |
| Homeland Credit Union, Inc. | Chillicothe | \$256,229 |
| Alliance Credit Union, Incorporated | Cincinnati | \$8,011 |
| Cincinnati Central Credit Union, Inc. | Cincinnati | \$65,255 |
| Cincinnati Big Four Railway Credit Union, Inc. | Cincinnati | \$1,905 |
| CINCO Family Financial Center Credit Union, Inc. | Cincinnati | \$113,547 |
| Communicating Arts Credit Union | Cincinnati | \$41,372 |
| Deca Credit Union, Inc. | Cincinnati | \$5,154 |
| Good Samaritan Employees Credit Union, Inc. | Cincinnati | \$1,910 |
| Greater Cincinnati Credit Union, Inc. | Cincinnati | \$74,983 |
| Greater Visions Credit Union | Cincinnati | \$2,623 |
| Greenhills Credit Union, Inc. | Cincinnati | \$6,343 |
| Hamilton County School Employees Credit Union, Inc. | Cincinnati | \$21,174 |
| Heekin Can Employees Credit Union, Inc. | Cincinnati | \$963 |
| Kemba Credit Union, Inc. | Cincinnati | \$225,725 |
| New Horizons Credit Union, Inc. | Cincinnati | \$49,541 |
| Princeton Employees Credit Union, Inc. | Cincinnati | \$6,518 |
| St. James Parish Credit Union, Inc. | Cincinnati | \$4,661 |
| The Cincinnati Postal Employees Credit Union, Inc. | Cincinnati | \$39,844 |
| The Tool Steel Credit Union, Inc. | Cincinnati | \$6,986 |
| UPS Credit Union, Inc. | Cincinnati | \$4,900 |
| Valley Council Credit Union, Inc. | Cincinnati | \$3,119 |
| West Ohio United Methodist Credit Union, Inc. | Cincinnati | \$13,292 |
| Antioch Credit Union, Inc. | Cleveland | \$2,359 |
| Avon Avenue Baptist Church Credit Union | Cleveland | \$62 |
| Civil Service Employees' Association Credit Union | Cleveland | \$4,809 |
| Cory Methodist Church Credit Union, Inc. | Cleveland | \$3,534 |

Ohio-Chartered Credit Unions - as of 12-31-2003 (000s omitted) continued

| Credit Union Name | City | Total Assets |
|--|-------------------|---------------------|
| E L L Credit Union, Inc. | Cleveland | \$1,078 |
| Faith Community United Credit Union, Inc. | Cleveland | \$8,650 |
| Fellowship Church Credit Union, Inc. | Cleveland | \$78 |
| Gethsemane Baptist Church Credit Union | Cleveland | \$168 |
| Greater Cleveland Fire Fighters Credit Union, Inc. | Cleveland | \$98,345 |
| Lane Metropolitan C.M.E. Credit Union, Inc. | Cleveland | \$251 |
| Nickel Plate Credit Union, Inc. | Cleveland | \$1,104 |
| NYC Mercury Credit Union, Inc. | Cleveland | \$1,600 |
| Ohio Teamsters Credit Union, Inc. | Cleveland | \$14,310 |
| Plain Dealer Credit Union, Inc. | Cleveland | \$19,205 |
| Shiloh Credit Union, Inc. | Cleveland | \$2,164 |
| St. Paul A M E Zion Church Credit Union, Inc. | Cleveland | \$301 |
| Taupa Lithuanian Credit Union, Inc. | Cleveland | \$19,578 |
| The Cleveland Police Credit Union, Inc. | Cleveland | \$31,903 |
| The Cleveland Postal Employees Credit Union, Inc. | Cleveland | \$39,146 |
| The Ohio Educational Credit Union, Inc. | Cleveland | \$103,463 |
| The Telephone Credit Union, Inc. | Cleveland | \$83,722 |
| U.F.C.W. Union Local 880 Credit Union, Inc. | Cleveland | \$13,501 |
| Zion Hill Baptist Church Credit Union, Inc. | Cleveland | \$256 |
| Cleveland Heights Teachers Credit Union, Inc. | Cleveland Heights | \$9,876 |
| Clyde-Findlay Area Credit Union, Inc. | Clyde | \$83,041 |
| First Choice Credit Union, Inc. | Coldwater | \$7,369 |
| Burgess & Niple Employees Credit Union, Inc. | Columbus | \$3,170 |
| Central Ohio Community Credit Union, Inc. | Columbus | \$2,186 |
| Central Ohio Teamsters Credit Union, Inc. | Columbus | \$8,477 |
| Columbus Postal Employee Credit Union, Inc. | Columbus | \$8,743 |
| CORE ONE CREDIT UNION, INC. | Columbus | \$137,469 |
| Credit Union of Ohio Inc. | Columbus | \$78,154 |
| First A.M.E. Zion Credit Union, Inc. | Columbus | \$125 |
| Grange Mutual Employees Credit Union, Inc. | Columbus | \$5,981 |
| KEMBA Financial Credit Union, Inc. | Columbus | \$203,203 |
| Members First Credit Union, Inc. | Columbus | \$36,858 |
| MidState Educators Credit Union, Inc. | Columbus | \$69,984 |
| Motorists Insurance Employees Credit Union, Inc. | Columbus | \$3,407 |
| OhioHealth Credit Union, Inc. | Columbus | \$26,913 |
| Producers Employees' Credit Union, Inc. | Columbus | \$207 |
| State Transportation Employees Credit Union, Inc. | Columbus | \$30,031 |

Ohio-Chartered Credit Unions - as of 12-31-2003 (000s omitted) continued

| Credit Union Name | City | Total Assets |
|---|------------------|---------------------|
| T E A Credit Union, Inc. | Columbus | \$810 |
| Telhio Credit Union, Inc. | Columbus | \$390,849 |
| The Columbus Federal Employees Credit Union, Inc. | Columbus | \$6,188 |
| Western Credit Union, Inc. | Columbus | \$52,438 |
| Whitehall Credit Union, Inc. | Columbus | \$17,532 |
| Cuyahoga Falls Municipal Employees Credit Union, Inc. | Cuyahoga Falls | \$412 |
| Falls Catholic Credit Union, Inc. | Cuyahoga Falls | \$20,952 |
| CODE Credit Union | Dayton | \$61,849 |
| Day-Met Credit Union, Inc. | Dayton | \$92,167 |
| Freedom First Credit Union, Inc. | Dayton | \$15,652 |
| Globe Industries Employees' Credit Union, Inc. | Dayton | \$2,676 |
| Hewitt Employees Credit Union, Inc. | Dayton | \$1,633 |
| Montgomery County Credit Union, Inc. | Dayton | \$26,537 |
| The Dayton Postal Employees Credit Union, Inc. | Dayton | \$8,911 |
| Universal 1 Credit Union, Inc. | Dayton | \$272,011 |
| Wright-Dunbar Area Credit Union, Inc. | Dayton | \$494 |
| Tuscarawas Schools Credit Union, Inc. | Dover | \$10,322 |
| Community Star Credit Union, Inc. | Elyria | \$23,840 |
| Manatrol Division Employees Credit Union, Inc. | Elyria | \$783 |
| School Employees (Lorain County) Credit Union, Inc. | Elyria | \$94,682 |
| The Lorain County Postal Employees Credit Union, Inc. | Elyria | \$2,160 |
| Eaton Family Credit Union, Inc. | Euclid | \$28,779 |
| Reliance Mutual Credit Union, Inc. | Euclid | \$5,443 |
| Wright-Patt Credit Union, Inc. | Fairborn | \$947,021 |
| AurGroup Financial Credit Union, Inc. | Fairfield | \$136,108 |
| Ohio Casualty Employees Credit Union, Inc. | Fairfield | \$3,637 |
| Ohio Master Printers Credit Union, Inc. | Fairfield | \$2,440 |
| Millstream Area Credit Union, Inc. | Findlay | \$18,979 |
| The First Ohio Credit Union, Inc. | Fostoria | \$63,882 |
| MidFirst Credit Union, Inc. | Franklin | \$202,088 |
| POWERCO Credit Union, Inc. | Gahanna | \$31,714 |
| Crawford Community Credit Union, Inc. | Galion | \$4,918 |
| Union of Poles In America Credit Union | Garfield Heights | \$974 |
| Garfield Community Credit Union, Inc. | Garfield Heights | \$24,756 |
| Geneva Area School Employees Credit Union, Inc. | Geneva | \$1,858 |
| Girard Credit Union, Inc. | Girard | \$1,920 |
| Members Choice Credit Union, Inc. | Greenville | \$11,811 |

Ohio-Chartered Credit Union - as of 12-31-2003 (000s omitted) continued

| Credit Union Name | City | Total Assets |
|---|--------------------|---------------------|
| Chaco Credit Union, Inc. | Hamilton | \$119,008 |
| Hamilton Industrial Credit Union, Inc. | Hamilton | \$4,099 |
| Ohio Valley Community Credit Union, Inc. | Hannibal | \$73,119 |
| Cincinnati Employees Credit Union, Inc. | Harrison | \$17,660 |
| Whitewater Community Credit Union, Inc. | Harrison | \$6,446 |
| Sherwil Credit Union, Inc. | Hubbard | \$932 |
| Kent Credit Union, Inc. | Kent | \$28,039 |
| Kent State University Student Credit Union | Kent | \$2,637 |
| Day Air Credit Union, Inc. | Kettering | \$124,624 |
| Triangle Credit Union, Inc. | Kettering | \$21,444 |
| Lakewood Schools Credit Union, Inc. | Lakewood | \$2,293 |
| Latvian Cleveland Credit Union, Inc. | Lakewood | \$21,386 |
| The Lakewood Fire Fighters Credit Union, Inc. | Lakewood | \$1,541 |
| Member 1 Credit Union, Inc. | Lima | \$19,994 |
| Utelco Credit Union, Inc. | Lima | \$6,158 |
| Columbiana County School Employees Credit Union, Inc. | Lisbon | \$8,507 |
| Health Associates Credit Union, Inc. | Lorain | \$8,071 |
| Lorain School Employees Credit Union, Inc. | Lorain | \$11,637 |
| Auto Worker's Credit Union, Inc. | Mansfield | \$49,926 |
| Empire Affiliates Credit Union, Inc. | Mansfield | \$129,485 |
| Gorman-Rupp & Associates Credit Union, Inc. | Mansfield | \$4,410 |
| Tappan Credit Union, Inc. | Mansfield | \$14,880 |
| Maple Heights School Employees Credit Union, Inc. | Maple Heights | \$647 |
| OEM Credit Union, Inc. | Maple Heights | \$58 |
| Marion Community Credit Union, Inc. | Marion | \$23,874 |
| Scott Associates Credit Union, Inc. | Marysville | \$9,258 |
| WECU Credit Union, Inc. | Marysville | \$21,750 |
| 540 I.B. E. W. Credit Union, Inc. | Massillon | \$700 |
| Superior Savings Credit Union | Massillon | \$11,956 |
| The Massillon Area Credit Union, Inc. | Massillon | \$29,444 |
| Erie Shores Credit Union, Inc. | Maumee | \$115,023 |
| Cardinal Community Credit Union, Inc. | Mentor | \$68,105 |
| Local # 673 Credit Union, Inc. | Mentor | \$1,862 |
| River Valley Credit Union, Inc. | Miamisburg | \$116,146 |
| BSE Credit Union, Inc. | Middleburg Heights | \$13,721 |
| Middletown Area Schools Credit Union | Middletown | \$7,162 |
| Middletown Hospital Credit Union, Inc. | Middletown | \$5,900 |

Ohio-Chartered Credit Union - as of 12-31-2003 (000s omitted) continued

| Credit Union Name | City | Total Assets |
|---|------------------|---------------------|
| West Holmes School Employees Credit Union, Inc. | Millersburg | \$168 |
| C E S Credit Union, Inc. | Mount Vernon | \$74,137 |
| Knox County Community Credit Union, Inc. | Mt. Vernon | \$5,088 |
| The Way Credit Union, Inc. | New Knoxville | \$9,871 |
| Perry Credit Union, Inc. | New Lexington | \$387 |
| Eastern Credit Union, Inc. | New Philadelphia | \$4,659 |
| First Choice Community Credit Union, Inc. | Niles | \$13,512 |
| Community One Credit Union of Ohio, Inc. | North Canton | \$42,175 |
| Diebold Employees Federal Credit Union | North Canton | \$9,642 |
| East Ohio United Methodist Conference Credit Union, Inc. | North Canton | \$25,593 |
| ECO Food Dealers Association Credit Union, Inc. | North Canton | \$1,099 |
| Credit Union One, Inc. | North Jackson | \$8,899 |
| Dairypak Employees Credit Union, Inc. | Olmsted Falls | \$430 |
| Bay Area Credit Union, Inc. | Oregon | \$39,867 |
| St. Ignatius Oregon Credit Union, Inc. | Oregon | \$835 |
| City of Painesville Employees Credit Union, Inc. | Painesville | \$14,270 |
| L.E.O. Credit Union | Painesville | \$13,229 |
| Our Lady Of Mercy Parish Credit Union, Inc. | Parma | \$358 |
| PSE Credit Union, Inc. | Parma | \$89,937 |
| Public Library Employees Credit Union, Inc. | Parma | \$973 |
| Wiremen's Credit Union, Inc. | Parma | \$16,514 |
| Orange School Employees Credit Union, Inc. | Pepper Pike | \$2,660 |
| St. Rose Parish Perrysburg Credit Union, Inc. | Perrysburg | \$1,027 |
| S. C. F. E. Credit Union, Inc. | Portsmouth | \$907 |
| Hillcrest Community Credit Union, Inc. | Richmond Heights | \$37,525 |
| Morton Salt Credit Union | Rittman | \$4,161 |
| United Telephone Credit Union, Inc. | Rocky River | \$14,588 |
| S. F. & M. Employees Credit Union, Inc. | Sandusky | \$886 |
| Shaker Community Credit Union, Inc. | Shaker Heights | \$7,128 |
| Starlight Baptist Church Credit Union, Inc. | Shaker Heights | \$252 |
| Edison Credit Union, Inc. | Springfield | \$4,762 |
| International Harvester Employee Credit Union, Inc. | Springfield | \$148,099 |
| The Education Credit Union, Inc. | Springfield | \$14,143 |
| The Springfield Credit Union, Inc. | Springfield | \$13,990 |
| Community United Credit Union, Inc. | Strongsville | \$8,032 |
| Champion Credit Union, Inc. | Toledo | \$42,161 |

Ohio-Chartered Credit Union - as of 12-31-2003 (000s omitted) continued

| Credit Union Name | City | Total Assets |
|---|------------------|---------------------|
| Co-op (Toledo) Credit Union, Inc. | Toledo | \$9,229 |
| Great Lakes Credit Union, Inc. | Toledo | \$25,626 |
| Maumee Valley Credit Union, Inc. | Toledo | \$23,124 |
| Members Capital Credit Union, Inc. | Toledo | \$56,475 |
| Nabisco Credit Union, Inc. | Toledo | \$259 |
| The Toledo Postal Employees Credit Union, Inc. | Toledo | \$4,756 |
| Toledo Area Community Credit Union, Inc. | Toledo | \$178,225 |
| TPS Credit Union, Inc. | Toledo | \$35,740 |
| HTM Area CUI | Troy | \$7,118 |
| Grimes Credit Union | Urbana | \$1,989 |
| Cuyahoga Works Credit Union, Inc. | Valleyview | \$3,112 |
| C C C Van Wert Credit Union, Inc. | Van Wert | \$624 |
| Abbey Credit Union, Inc. | Vandalia | \$31,436 |
| CANDO Credit Union, Inc. | Walbridge | \$10,235 |
| Seven Seventeen Credit Union, Inc. | Warren | \$523,847 |
| The Trumbull County Postal Employees Credit Union, Inc. | Warren | \$1,548 |
| Atomic Employees Credit Union, Inc. | Waverly | \$92,206 |
| West Carrollton Parchment Employees Credit Union, Inc. | West Carrollton | \$284 |
| Westlake Technology Credit Union, Inc. | Westlake | \$1,515 |
| Western Reserve Credit Union, Inc. | Wickliffe | \$4,564 |
| Wickliffe School Employees Credit Union, Inc. | Wickliffe | \$3,576 |
| WES Credit Union, Inc. | Willoughby | \$10,944 |
| All Employees Credit Union, Inc. | Willoughby Hills | \$7,825 |
| OARDC Employees' Credit Union, Inc. | Wooster | \$733 |
| Rexroth Employees Credit Union, Inc. | Wooster | \$1,876 |
| Associated School Employees Credit Union, Inc. | Youngstown | \$56,582 |
| Distinguished Service Credit Union, Inc. | Youngstown | \$1,878 |
| Erie-Lackawanna Railroad Employee's Credit Union, Inc. | Youngstown | \$973 |
| Ohio Edison - Penn Power Credit Union, Inc. | Youngstown | \$40,729 |
| Youngstown City Schools Credit Union, Inc. | Youngstown | \$7,760 |
| Youngstown Firefighter's Credit Union, Inc. | Youngstown | \$4,925 |
| Genesis Employees Credit Union, Inc. | Zanesville | \$6,000 |
| The Zanesville Armco Employees Credit Union, Inc. | Zanesville | \$2,720 |

\$8,494,968

Savings Institution Supervision

The number of state-chartered savings institutions stood at 63, the same number as on June 30, 2003. During Fiscal Year 2004, one new savings bank was chartered and a federal savings association converted to a state-chartered savings bank. Two savings institutions were merged into other institutions. Aggregate assets of state-chartered savings institutions declined by 12 percent in Calendar Year 2003 to \$10.8 billion.

Based on examination results, the vast majority of state-chartered savings institutions are in sound financial condition with 98 percent rated "1" or "2" at their last examination. The remaining two percent, which represents one institution, is rated "4" and is under close regulatory supervision.

An administrative rule was adopted to expand the commercial lending authority for savings banks pursuant to O.R.C. Section 1161.46. Savings and loans will also have this additional authority upon the completion of the administrative process for the adoption of rules pursuant to O.R.C. Section 1151.30. This increased lending authority makes the savings bank and savings and loan

charters more comparable to other federally chartered alternatives.

The Division continues to expand the usage of the centralized database for maintaining examination and supervision information for savings institutions.

Supervisory actions initiated by the Division against savings institutions included a board resolution, a supervisory directive, and a supervisory agreement. Additionally, a consent cease and desist order against a savings bank was terminated in March 2004.

The Division continues to work very closely with its federal counterparts. An Alternate Examination Program with the Office of Thrift Supervision was initiated for savings and loans, and the existing Alternate Examination Program with the Federal Deposit Insurance Corporation for savings banks was enhanced. Additionally, the Division is utilizing differing encryption tools as a means of exchanging electronic data with federal counterparts in a secure manner.

COMPOSITE RATINGS FOR STATE-CHARTERED SAVINGS INSTITUTIONS

| <i>Rating</i> | <i>June 30, 2002</i> | | <i>June 30, 2003</i> | | <i>June 30, 2004</i> | |
|---------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| | Num. | Pct. | Num. | Pct. | Num. | Pct. |
| Composite 1 | 21 | 32% | 20 | 31% | 23 | 37% |
| Composite 2 | 37 | 56% | 40 | 63% | 38 | 61% |
| Composite 3 | 7 | 11% | 2 | 3% | 0 | 0% |
| Composite 4 | 1 | 2% | 2 | 3% | 1 | 2% |
| Composite 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 66 | 100% | 64 | 100% | 62* | 100% |

*one *de novo* charter not rated.

Savings and Loan Associations and Savings Banks Board

The Savings and Loan Associations and Savings Banks Board consists of the Deputy Superintendent for Savings and Loan Associations and Savings Banks, who serves as Chairman, and six members appointed by the Governor with the advice and consent of the Senate. The Board advises the Superintendent of Financial Institutions and the Deputy Superintendent for Savings and Loan Associations and Savings Banks on any matter they submit to it and confirms the annual schedule of assessments. Members are unpaid but are reimbursed for travel expenses. Current members of the Board are:

SAVINGS AND LOAN ASSOCIATIONS AND SAVINGS BANKS BOARD

| Name | Affiliation | Term Expires | Representing |
|---------------------|---|----------------------------|---|
| Neil G. Danziger | Deputy Superintendent for Savings & Loans/Savings Banks | Coincides with Appointment | Division of Financial Institutions |
| Larry A. Caldwell | Camco Financial Corp., Cambridge | January 31, 2005 | CEO of state-chartered savings bank |
| Neal E. Hubbard | Northern Savings and Loan Company, Elyria | January 31, 2005 | CEO of state-chartered savings and loan association |
| Betty L. Kimbrew | Geauga Savings Bank, Newbury | January 31, 2006 | CEO of state-chartered savings bank |
| Charles A. Thigpen | Third Federal Savings & Loan, Cleveland | January 31, 2006 | Representative of Savings and Loan Industry |
| Robert L. Bollin | Winton Savings & Loan, Cincinnati | January 31, 2007 | CEO of state-chartered savings and loan association |
| Howard T. Boyle, II | Home Savings Bank, Kent | January 31, 2007 | CEO of state-chartered savings bank |

Ohio-Chartered Savings Institutions - as of 12-31-2003 (000s omitted) continued

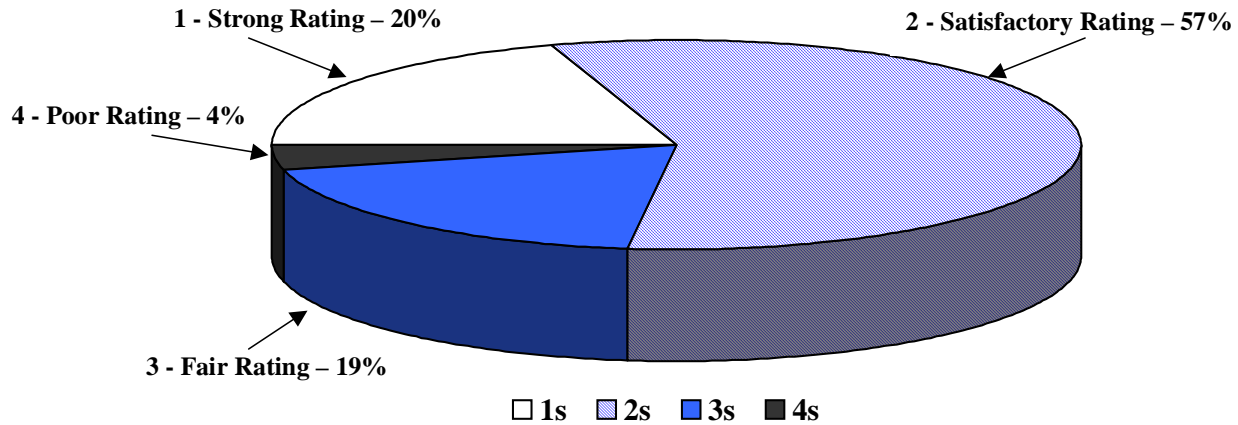
| Savings Institution Name | City | Total Assets |
|--|----------------|---------------------|
| North Akron Savings Bank | Akron | \$159,599 |
| Belmont Savings Bank | Bellaire | \$252,380 |
| Belpre Savings Bank | Belpre | \$55,869 |
| The Bethel Building and Loan Company | Bethel | \$35,913 |
| The Franklin Savings and Loan Company | Blue Ash | \$270,860 |
| The Brookville Building and Savings Association | Brookville | \$39,397 |
| The Peoples Savings and Loan Company | Bucyrus | \$113,931 |
| The Equitable Savings and Loan Company | Cadiz | \$14,081 |
| The Caldwell Savings and Loan Company | Caldwell | \$42,598 |
| Advantage Bank | Cambridge | \$1,024,623 |
| Mercer Savings Bank | Celina | \$135,131 |
| Cheviot Savings Bank | Cheviot | \$317,399 |
| The Cincinnatus Savings and Loan Company | Cheviot | \$77,774 |
| Columbia Savings Bank | Cincinnati | \$58,572 |
| Eagle Savings Bank | Cincinnati | \$66,083 |
| Fort Washington Trust Company | Cincinnati | \$16,632 |
| The Clifton Heights Savings and Loan Company | Cincinnati | \$14,348 |
| The Mercantile Savings Bank | Cincinnati | \$67,408 |
| The Mt. Washington Savings and Loan Company | Cincinnati | \$63,079 |
| The New Foundation Loan and Building Company | Cincinnati | \$15,948 |
| The Winton Savings and Loan Co. | Cincinnati | \$556,700 |
| Union Savings Bank | Cincinnati | \$1,219,749 |
| The Pioneer Savings Bank | Cleveland | \$25,568 |
| Conneaut Savings Bank | Conneaut | \$81,791 |
| The Home Loan Savings Bank | Coshocton | \$149,584 |
| The Covington Savings and Loan Association | Covington | \$70,796 |
| Falls Bank | Cuyahoga Falls | \$76,784 |
| Valley Savings Bank | Cuyahoga Falls | \$108,202 |
| United Midwest Savings Bank | DeGraff | \$207,366 |
| The Northern Savings & Loan Company | Elyria | \$319,170 |
| The Galion Building and Loan Bank | Galion | \$54,362 |
| The Genoa Savings and Loan Company | Genoa | \$105,501 |
| Indian Village Community Bank | Gnadenhutten | \$94,879 |
| The Home Building and Loan Company of Greenfield | Greenfield | \$47,648 |
| The Harrison Building and Loan Association | Harrison | \$238,030 |
| Hicksville Building, Loan and Savings Bank | Hicksville | \$64,233 |
| Home Savings Bank | Kent | \$102,505 |

Ohio-Chartered Savings Institutions - as of 12-31-2003 (000s omitted) continued

| Savings Institution Name | City | Total Assets |
|---|-----------------|---------------------|
| The Home Savings and Loan Company of Kenton | Kenton | \$106,008 |
| The Home Builders Association | Lynchburg | \$21,241 |
| The Mechanics Savings Bank | Mansfield | \$310,504 |
| The People's Building Loan and Savings Company | Mason | \$34,232 |
| Miami Savings Bank | Miamitown | \$93,787 |
| American Savings Bank | Middletown | \$31,907 |
| Cottage Savings Bank | Montgomery | \$30,759 |
| Nelsonville Home and Savings | Nelsonville | \$17,611 |
| Geauga Savings Bank | Newbury | \$316,788 |
| First Savings Bank | Norwood | \$24,973 |
| Valley Central Savings Bank | Reading | \$81,496 |
| Strasburg Savings Bank | Strasburg | \$39,527 |
| Peoples Savings Bank of Troy | Troy | \$190,743 |
| The Arlington Bank | Upper Arlington | \$162,879 |
| The Peoples Savings Bank | Urbana | \$80,382 |
| Versailles Savings and Loan Co. | Versailles | \$37,447 |
| Home Savings Bank of Wapakoneta | Wapakoneta | \$28,789 |
| Perpetual Savings Bank | Wellsville | \$64,711 |
| The Peoples Savings and Loan Company | West Liberty | \$40,618 |
| The Adams County Building and Loan Company | West Union | \$25,764 |
| The Wilmington Savings Bank | Wilmington | \$151,111 |
| Woodsfield Savings Bank | Woodsfield | \$31,764 |
| The Wayne Savings Community Bank | Wooster | \$369,461 |
| Prospect Bank | Worthington | \$186,860 |
| The Home Savings and Loan Company of Youngstown | Youngstown | \$1,987,563 |
| | | \$10,831,418 |

Financial Institution Composite Ratings

For banks, savings institutions and credit unions
as of 6/30/2004



Consumer Finance

During Fiscal Year 2004, the consumer finance examiners conducted compliance examinations of 692 mortgage brokers, 124 check-casher lenders, 114 pawnbrokers, and 833 consumer finance companies. Refunds totaling \$273,067.75 were provided to Ohio consumers as a direct result of these examinations. The consumer finance office staff continues to support the efforts of the Division to provide regulation of the mortgage lending and brokering industries.

The number of licensed check-casher lenders increased by 22 percent in Fiscal Year 2004 to 1,209 offices. The number of registered mortgage brokers and their licensed loan officers both increased by four percent during the fiscal year to 2,107 offices with 7,715 licensed loan officers.

The consumer finance section continued to implement the amendments to the Ohio Mortgage Broker Act enacted in Senate Bill 76 in 2002. SB 76 required mortgage loan officers to obtain individual licenses for the first time.

In accordance to state law, the Division seeks to deny the loan officer license applications of persons convicted of theft, fraud, forgery, drug trafficking and other financial crimes. The Division conservatively estimates that over 500 loan officers with criminal records have left the industry as a result of the efforts of the consumer finance section.

In Fiscal Year 2004, the Division denied 187 loan officer license applications and revoked the licenses of ten loan officers. 17 revocation orders were appealed to various Ohio courts of common pleas and three appeals have been dismissed.

Office of Consumer Affairs

In Fiscal Year 2004, The Office of Consumer Affairs received 5,493 inquiries. A total of 1,545 were complaint inquiries that resulted in 732 formal complaints being filed. Of this total, 191 complaints were outside the jurisdiction of the Division and were referred to the proper authorities. A total of 634 complaints were resolved. The remaining 3,948 inquiries were resolved during the initial contact.

The Office collaborated with entities across the state to provide an extensive financial literacy outreach program for Ohio consumers. Some of the outreach efforts included:

- Educational seminars focusing on Abusive Lending practices and the Borrow Smart campaign.
- Publication of the “*Consumer Affairs Quarterly*”, an informational newsletter informing readers about key lending issues.
- Articles were published on Abusive lending practices and educated borrowing in Ohio magazines, newspapers and newsletters
- Participated in housing fairs and distributed educational materials to consumers about home buying, mortgage lending and investment scams

Formal monetary settlements were reached in five actions involving mortgage brokers and loan officers prior to the issuance of any hearing notice and one case was filed in the Montgomery County Court of Common Pleas.

During the past fiscal year, five complaints have involved loans that appeared to have been “covered loans” as defined in the Ohio Homeowners Equity Protection Act. Four of these complaints were closed after investigation determined that no violations of law had occurred, and one investigation remains open.

Checks totaling nearly \$32 million were mailed in December 2003 to 37,775 Ohioans eligible to share in the multi-state settlement with Household International. The settlement resolved an investigation by numerous states into allegations of unfair and deceptive mortgage lending practices by Household International through its subsidiaries Household and Beneficial Finance.

**Statements of Revenue and Expenses
For the Fiscal Years Ending June 30, 2003 and June 30, 2004
(Cents Omitted)**

Each institution regulated by the Division pays an annual assessment fee set for its industry. Institutions and individuals regulated may also pay fees for processing applications, for special examinations, or for other purposes. All revenue received is maintained in separate funds and expenses related to regulating each industry are paid out of their funds. Each fund is assessed quarterly to provide funds for general division operations (DFI) and for Department of Commerce (DOC) support services.

| | <u>BANKS</u> | <u>BANKS</u> | <u>CONSUMER FINANCE</u> | <u>CONSUMER FINANCE</u> | <u>CREDIT UNIONS</u> | <u>CREDIT UNIONS</u> | <u>SAVINGS INSTITUTIONS</u> |
|------------------------------|--------------|--------------|-------------------------|-------------------------|----------------------|----------------------|-----------------------------|
| | 6/30/2003 | 6/30/2004 | 6/30/2003 | 6/30/2004 | 6/30/2003 | 6/30/2004 | 6/30/2003 |
| INCOME | | | | | | | |
| Assessments/Supervisory Fees | 5,675,767 | 5,097,065 | - | - | 2,319,527 | 1,955,523 | 2,619,328 |
| Application/Other Fees | 171,224 | 244,302 | 4,377,341 | 4,979,081 | - | - | - |
| Miscellaneous | 26,800 | 11,016 | 1,648 | 3,580 | 5,000 | 5,027 | 41,735 |
| Sub-Total Income | 5,873,791 | 5,352,384 | 4,378,989 | 4,982,661 | 2,324,527 | 1,960,550 | 2,661,063 |
| Balance Carry Forward | 3,887,043 | 4,335,123 | 5,890,203 | 4,608,362 | 1,325,361 | 1,363,696 | 234,339 |
| Transfer to GRF | - | (2,000,000) | (3,200,000) | - | - | - | - |
| Total Income | 9,760,835 | 7,687,506 | 7,069,192 | 9,591,023 | 3,649,888 | 3,324,246 | 2,895,402 |
| | | | | | | | |
| EXPENSES | | | | | | | |
| Personnel | 3,773,129 | 3,852,968 | 1,791,508 | 2,340,572 | 1,736,190 | 1,684,854 | 2,031,587 |
| Maintenance | 690,203 | 761,889 | 177,993 | 366,002 | 165,900 | 173,367 | 225,659 |
| Equipment | 151,652 | 8,243 | 80,568 | 25,127 | 21,949 | 1,938 | 47,708 |
| DFI Assessment | 460,073 | 771,604 | 264,250 | 370,015 | 206,901 | 344,188 | 237,938 |
| DOC Assessment | 364,499 | 426,042 | 154,491 | 194,780 | 156,108 | 192,077 | 196,943 |
| Subsidies & Shared Revenue | - | - | 27,450 | 25,988 | - | - | - |
| Transfers & Other | - | 3,600 | 48,599 | 61,963 | - | - | - |
| Total Expenses | 5,439,556 | 5,824,345 | 2,544,859 | 3,384,447 | 2,287,048 | 2,396,424 | 2,739,835 |
| | | | | | | | |
| Cash Balance | 4,321,278 | 1,863,161 | 4,524,334 | 6,206,576 | 1,362,840 | 927,822 | 155,568 |
| | | | | | | | |

Note: Any differences between the Cash Balance at the end of one year and the Balance Carry Forward the following year represent projected encumbrances which were not paid out.



Liquor Control

Fiscal Year 2004 Annual Report

The Division of Liquor Control is responsible for controlling the manufacture, distribution and sale of all alcoholic beverages in Ohio. The Division is the state's sole purchaser and distributor of spirituous liquor (intoxicating liquor containing more than 21 percent alcohol by volume). Spirituous liquor is sold through more than 400 private businesses, known as liquor agencies, which are contracted by the Division to serve as its sales agents. Revenues are used to help fund a variety of programs offered by various state agencies. Regulatory functions include the issuance of permits to the state's approximately 24,000 privately owned and operated manufacturers, distributors and retailers of alcoholic beverages. The Division also regulates industry compliance with the laws pertaining to the manufacture, importation and distribution of beer, wine and mixed beverages containing 21 percent or less alcohol by volume.

Division Reports Record High in Dollar Sales

Spirituous liquor sales reached a record \$552.8 million in Fiscal Year 2004. This was an increase of \$34 million, or 6.6 percent, compared to sales in Fiscal Year 2003. The increase in dollar sales is due to supplier price increases, a greater increase in retail sales as compared to discounted wholesale sales, and a slight increase in consumption.

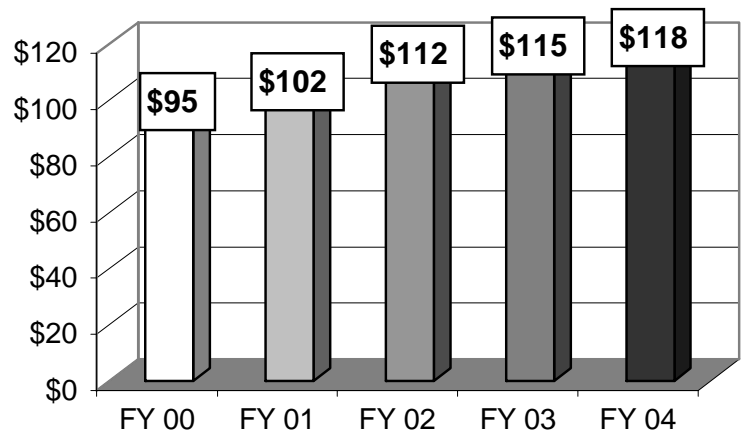
Gallonage sales of spirituous liquor in Fiscal Year 2004 totalled 9.2 million gallons, an increase of 365,845 gallons, or 4.1 percent, compared to Fiscal Year 2003.

General Revenue Fund Transfer Increases

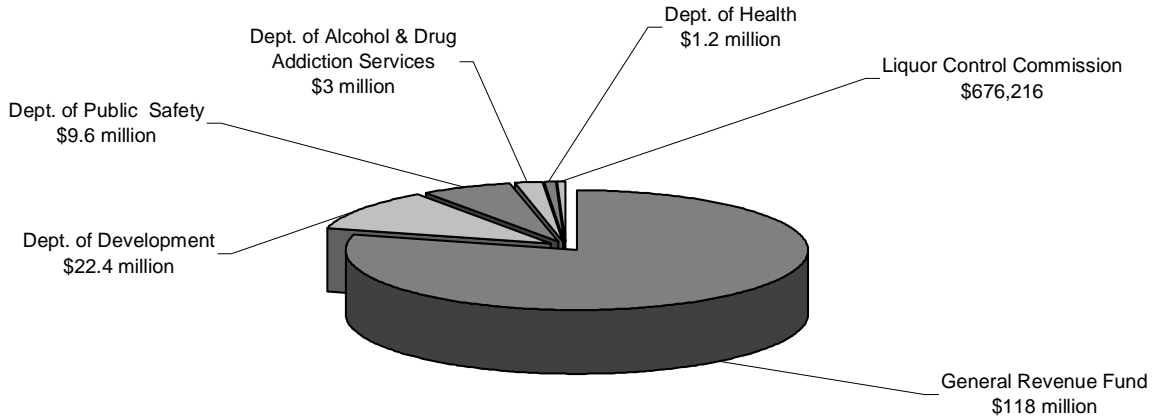
The main financial goal of the Division is to maintain profitability of liquor sales through efficient management and operations. This fiscal year, the Division exceeded its goal by contributing \$118 million to the state's General Revenue Fund (GRF). This year's GRF transfer was \$3 million more than last year's transfer, and the highest amount ever transferred by the Division.

In addition to the General Revenue Fund transfer, liquor revenues are also earmarked for the following other state

Annual GRF Transfer (In Millions)



Liquor Control Revenue Distribution Fiscal Year 2004



services: The Ohio Department of Development for the retirement of economic development bonds and Clean Ohio revitalization bonds; the Ohio Department of Public Safety for state liquor law enforcement; the Ohio Department of Alcohol and Drug Addiction Services to fund alcoholism treatment, education and prevention programs statewide; the Ohio Department of Health to fund the Alcohol Testing Program; and the Ohio Liquor Control Commission to fund its operations.

Liquor Permit Activity Increases

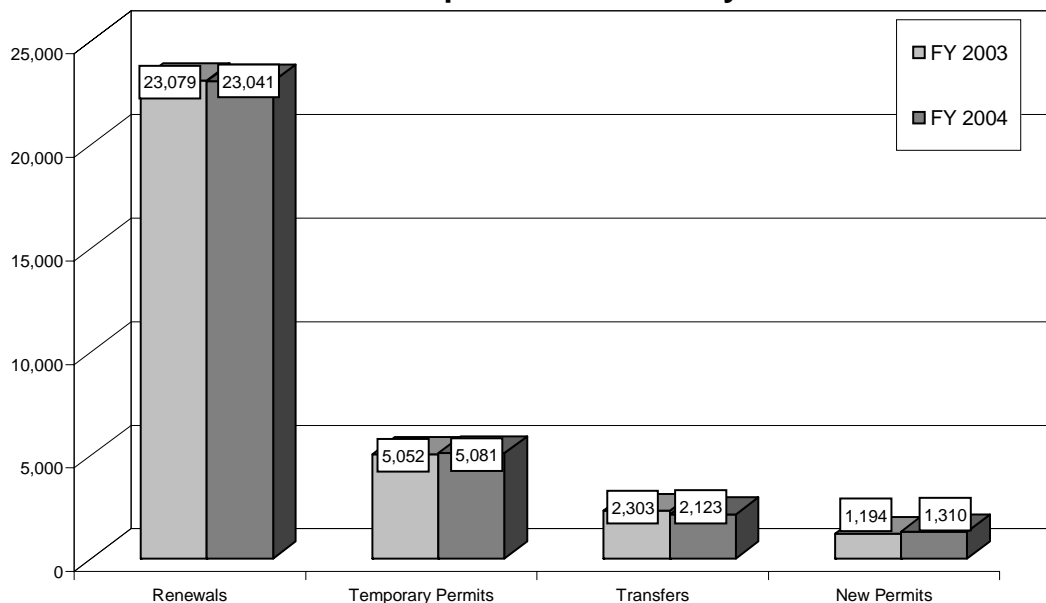
In Fiscal Year 2004, the Licensing Section was responsible for licensing the operations of over 24,000 privately owned and operated manufacturers, distributors and retailers of alcoholic beverages. This includes the issuance of new permits, permit renewals and transfers, and the investigative and hearing requirements associated with permit issuance. In Fiscal Year 2004, this section issued

8,514 permits, including 2,123 transferred permits, 1,310 new permits and 5,081 temporary permits. In addition, 23,041 permits were renewed.

The Division distributed \$30.8 million from liquor permit fees in Fiscal Year 2004. This was an increase of \$7.1 million over Fiscal Year 2003. Out of this total, \$11.9 million was returned to the local taxing districts for liquor law enforcement, \$12.7 million was deposited in the state's GRF, and \$6.2 million was allocated to the Ohio Department of Alcohol and Drug Addiction Services to fund treatment and education efforts statewide.

In the granting of liquor permits, the Division considers the safety and welfare of Ohio's citizens as first priority. At the same time, the Division is guided and restricted by statutes, rules and legal cases in making a decision on a permit's issuance or denial.

Liquor Permit Activity



Division of Liquor Control's Profit and Loss Statement

| <u>SPIRITUOUS LIQUOR SALES</u> | Fiscal 2004 | Fiscal 2003 |
|--|----------------------|----------------------|
| Retail Sales | \$352,791,301 | \$330,057,152 |
| Wholesale Sales | \$228,620,431 | \$215,385,532 |
| GROSS SALES | \$581,411,732 | \$545,442,684 |
| Less Wholesale Discount @ 12.5% | \$28,577,554 | \$26,923,192 |
| TOTAL SALES | \$552,834,178 | \$518,519,492 |
| Less Cost of Goods Sold | \$321,739,111 | \$301,850,224 |
| State Gallonage Tax | \$31,065,061 | \$29,828,504 |
| TOTAL COST OF GOODS | \$352,804,172 | \$331,678,728 |
| GROSS PROFIT | \$200,030,006 | \$186,840,764 |
| Percentage of Gross Profit | 34.40% | 34.25% |
| OPERATING EXPENSES | | |
| Less Operating Expenses - Agencies | \$29,919,848 | \$28,115,987 |
| Less Operating Expenses - General | \$13,443,427 | \$13,369,997 |
| TOTAL OPERATING EXPENSES | \$43,363,275 | \$41,485,984 |
| NET PROFIT BEFORE OTHER INCOME AND OTHER DEDUCTIONS | \$156,666,731 | \$145,354,780 |
| PERCENT NET PROFIT TO GROSS SALES | 26.95% | 26.65% |

Fiscal Year 2004, as of June 30, 2004

State Fire Marshal

Fiscal Year 2004 Annual Report



The State Fire Marshal's Office (SFM) is the oldest established office of its kind in the United States. In Fiscal Year 2004, it consisted of eight bureaus and one unit: Administration, Fire & Explosion Investigations, Forensic Laboratory, Bureau of Underground Storage Tank Regulation (BUSTR), Fire Prevention, Code Enforcement, Testing and Registration, Ohio Fire Academy, and the Pyrotechnics and Explosives Unit. Responsibilities include modernizing and enforcing the Ohio Fire Code; designing and presenting fire prevention programs; analyzing fire-related criminal evidence; investigating the cause and origin of fires and explosions; training firefighters; providing fire-safety education to business, industry and the general public; regulating underground storage tanks; testing and training; and licensing and certification support services.

Fire Academy Trains Responders

In Fiscal Year 2004, the Academy provided training to a total of 10,901 emergency responders through the 780 classes being conducted either on campus or through the Academy's Direct Delivery Program. The resource center provided 344 videos for fire safety and public education programs, reaching an audience of 4,379. The academy issued 1,180 International Fire Service Accredited Certificates.

Accomplishments:

- Created joint staff position between the Ohio Department of Natural Resources and the State Fire Marshal's Ohio Fire Academy. Position is the primary contact for wild land-urban interface and wild land fire training for the State of Ohio.
- Participated in the Southwest Regional Medical Response System Bio-Terrorism exercise involving three states and 21 counties from Kentucky, Indiana and Ohio.
- Conducted a Lawyers "Feel the Heat" class for attorneys from the Ohio departments of Commerce

and Public Safety, who were joined by an attorney/adjunct instructor with the National Fire Academy from Massachusetts.

- Conducted a bomb technician hazardous materials refresher class in cooperation with Columbus Bomb Squad and Battelle.
- Conducted a pilot program with Mifflin Township Fire Department in Gahanna, Ohio, by providing in-service training programs to their on-duty staff.
- Established new website address for the Ohio Fire Academy for easier customer access at www.ohiofireacademy.com
- The Firefighter Training Grant awarded \$607,077 to local departments reimbursing them for the training of over 1,900 firefighters.
- Secured the following Terrorism Grants:
 - **State Domestic Preparedness Equipment Grant** (\$150,000) — for the period of April 1, 2002 through May 31, 2004 to purchase personal protective equipment first responder kits for SFM staff; radiation

monitoring equipment for SFM staff and the Major Incident Response Vehicle (MIRV); and hand-held radios for SFM staff and the MIRV.

- **State Domestic Preparedness Equipment Grant** (\$50,000) — for period of Oct. 1, 2002 through Sept. 30, 2004 for improvements to SFM site security.
- **Equipment Grant Part I** (\$48,000) — for period of May 27, 2003 through Sept. 30, 2004 to purchase an urban search and rescue response trailer; self-contained breathing apparatus units with spare bottles and helmets; and reference materials for SFM employees, the MIRV and the Emergency Operations Center.
- **Equipment Grant Part II** (\$263,450) – for period of June 5, 2003 through Oct. 30, 2004 to purchase two-way radios for Investigations Bureau and SFM; portable explosive magazines and post blast investigation equipment for Investigations Bureau; updated Forensic Laboratory equipment; additional self-contained breathing apparatus units with spare bottles and helmets for the Ohio Fire Academy; and additional reference manuals for the MIRV, Resource Center and Emergency Operations Center.

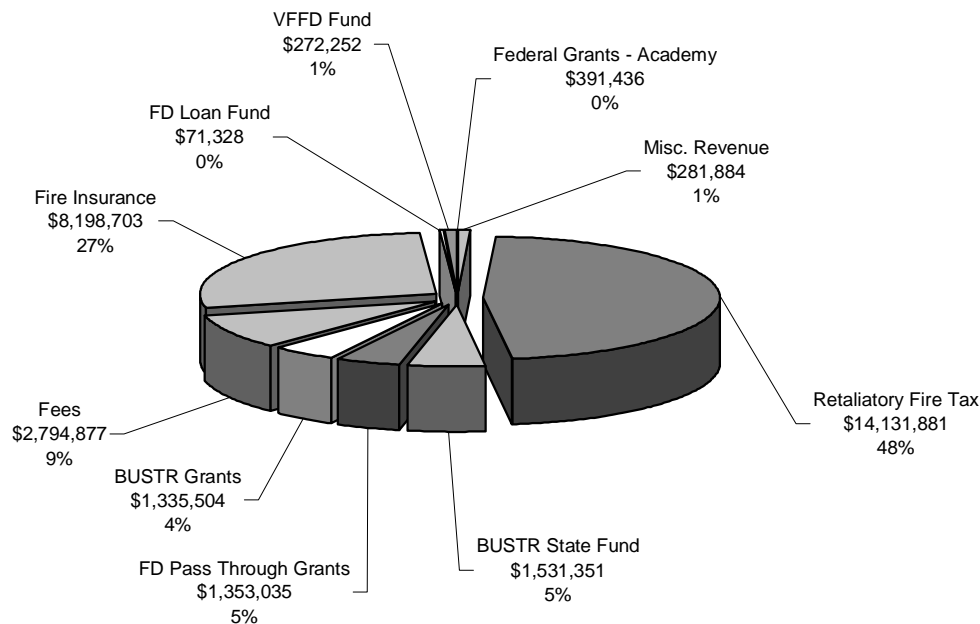
Fire & Explosion Investigation Bureau

During Fiscal Year 2004, the Investigations Bureau received 1,125 requests to investigate fires, explosions, fireworks incidents, explosive disposals, polygraph examinations and teaching assignments. This included 75 fatal fires, of which 16 were criminally related. SFM investigators determined that 382 of these incidents were criminal acts of arson and related crimes. Of the 1,125 requests for our services during Fiscal Year 2004, 839 were made after normal business hours.

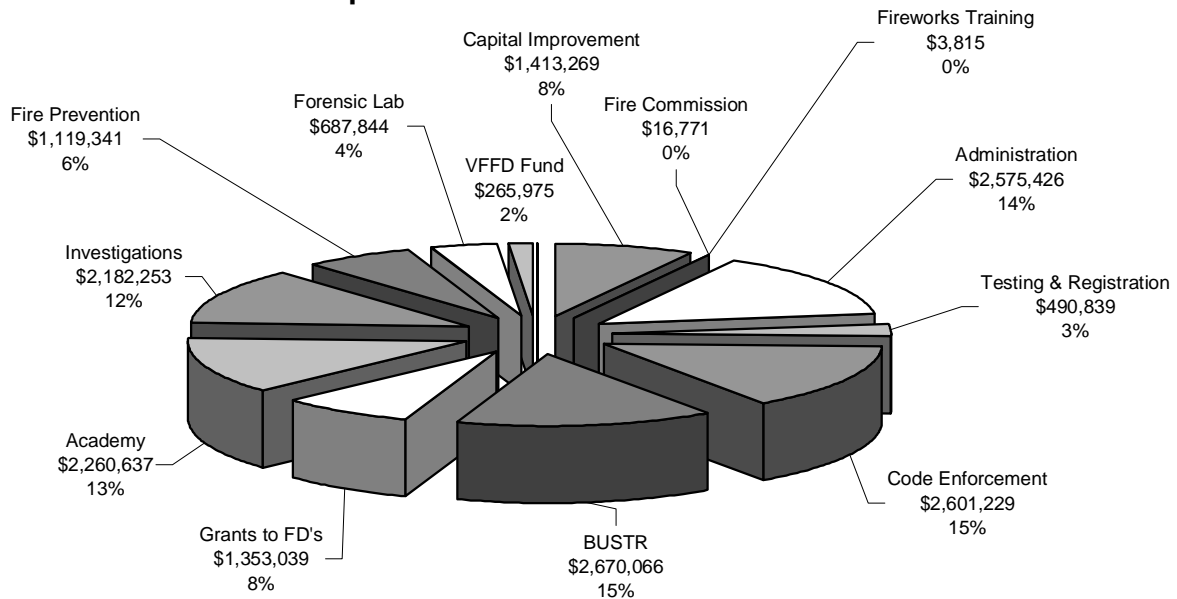
Four investigators were hired because of a promotion and recent retirements. This gives the Investigation Bureau seventeen investigators in the field, along with four Assistant Chiefs in the field and the Bureau Chief. All are law enforcement officers. This investigative staff covers over 41,000 square miles of territory. Each investigator being assigned to a minimum of five counties.

During Fiscal Year 2004, the Investigations Bureau has shown increase in the number of criminal charges filed for arson and related crimes. In 2003, the Bureau was responsible for 190 criminal charges; in 2004 the number of criminal charges filed was 420. This is an increase of over 100%. There are factors explaining this increase such as aggressive fire investigation techniques and increased manpower.

Sources of Revenue Fiscal Year 2004



Expenditures Fiscal Year 2004



Fire Prevention Bureau Focuses on Education

During Fiscal Year 2004, the Bureau conducted 3,368 fire safety related programs for more than 79,600 Ohioans at schools, senior centers, health care facilities, businesses and events like the Ohio State Fair. The bureau distributed 780,000 pieces of fire safety literature.

The bureau continues to promote the use and maintenance of smoke detectors. Smoke DOG (Smoke Detector on Guard) Awards were presented to five families whose lives were saved as a result of proper actions taken when a working smoke detector activated in their home. In Ohio, half of the fire fatalities occurred in homes that did not have a smoke detector or had one that was not working.

Since January 2000, the bureau has distributed 573 free software packages to volunteer fire departments to allow them to report fire incidents to the Bureau electronically. More than 79 percent of the fire departments are now reporting their fires to the State in an electronic format. During Fiscal Year 2004, the Bureau also provided used computers to 14 fire departments to assist them in preparing their fire reports.

Code Enforcement Bureau Upholds Fire Code Standards

During Fiscal Year 2004, the bureau conducted close to 10,000 fire safety inspections and approximately 4,000 re-inspections of various premises, events and licensed facilities across Ohio. Each re-inspection was performed to verify the abatement of all identified hazardous conditions. The bureau responded to nearly 400 complaints of fire code violations and initiated any appropriate code enforcement

actions. The bureau focused on code enforcement, homeland security, and training issues, including:

- Technical staff met with interested parties and representatives of regulated industries to discuss the proposed new Ohio Fire Code.
- Attended training sessions on fireworks, driving, ethics, and legal aspects of code enforcement, fire protection systems, radiation safety, elevators, fire loss analysis, and petroleum storage tank regulations.
- Testified in various administrative and court hearings to pursue statewide consistent enforcement of the Ohio Fire Code.
- Technical staff organized and presented the Advanced Fire Codes Course at the State Fire School held at Bowling Green State University.
- Inspected or verified the local authority inspection of all schools for compliance with fire drill regulations.
- Inspected every licensed hotel motel facility and licensed fireworks facility in the state.
- Technical staff contributed to the fire code development process at the national level in the model code organizations.

Bureau of Underground Storage Tank Regulations

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates the safe operation of underground storage tanks and ensures appropriate investigation and cleanup of releases of regulated substances from underground storage tanks (UST) for the purpose of

protecting human health and the environment. During Fiscal Year 2004, BUSTR:

- Regulated 24,561 underground storage tank systems facilities across Ohio.
- Issued 1,496 permits to install, remove, repair or modify underground storage tank systems, and inspected these permitted activities for compliance with state regulations.
- Continued a statewide inspection and compliance program, performing 1,304 compliance inspections of registered facilities.
- Issued 1,388 “No Further Action” letters completing cleanups at sites where a release or suspected release of petroleum from a regulated UST had occurred.
- Started a Petroleum Brownfield pilot program intended to assist local communities interested in cleaning up lower environmental priority sites for the purpose of economic redevelopment.
- Initiated a comprehensive review of rules governing the operation, maintenance and removal of underground storage tank systems and the cleanup of releases of petroleum into the environment.

Bureau of Testing & Registration Focus on Customer Service

The Bureau's focus was to improve customer service using innovative, technology based solutions to increase revenues, reduce costs and deliver the services our customers need. Partnering with ITG, enhancements were developed and implemented promoting e-commerce and increasing on-line business accessibility. A web-enabled civilian criminal background check software system was implemented accurately prohibiting convicted felons from obtaining sensitive licenses.

The Bureau issued 24,575 licenses for fire protection companies/installers, hotel/motel, UST installers/inspectors, explosives storage and firework exhibitors and assistants. It issued compliance certificates for 7,451 UST facilities. Total revenue generated for this was \$2,560,775. The Bureau continues to provide easy access for our citizens to view and obtain public records using data imaging technology.

Forensic Laboratory Expands

Ohio Fire Investigators and Law Enforcement Agents submitted 777 cases (an increase of 10% over Fiscal Year 2003) consisting of 2,401 pieces of evidence (an increase of 21.8%) requiring 6,755 exams (an increase of 30.2%). Thirty-two (32) of the cases submitted involved fatalities. Analysis was conducted on ignitable liquids, fire debris, explosive devices, explosive residues and other physical

evidence from suspicious fire scenes, explosions, hazardous situations and other criminal activity.

The Laboratory completed an expansion renovation project in October 2003. The scope of the project included expansion of the existing facility; doubling the size of the evidence room, providing central storage for temperature sensitive and volatile evidence, relocation of a preparation laboratory, refurbishing of all existing fume hoods and installation of a security and internal paging system.

The Laboratory has also purchased and implemented a new Laboratory Information Management System (LIMS), replacing its antiquated (1987) LIMS.

The FBI has awarded the Forensic Laboratory an FBI contract entitled “Survivability Rate of Latent Finger Prints on Improvised Explosive Device (IED) Components”. As a result, the Laboratory was able to acquire an Alternative Light Source (ALS) and the More Hits Digital Imaging System for examination of latent prints.

The Laboratory was a recipient of the Paul Coverdell National Forensic Science Improvement Grant for Forensic Analyst Training.

Explosives & Pyrotechnics Administrative Unit

In Fiscal Year 2004, the Unit regulated 52 wholesaler and manufacturing licensed facilities, 521 active exhibitors, 1,064 active assistants and 24 out-of-state shippers. The Unit conducted over 13 in-service training courses and three speeches totaling 1,344 attendees. The Unit issued 73 variances to customers to assist in furtherance of their business.

Approximately 1,093 professional fireworks exhibitions were conducted in the state. Three pyrotechnic employees received injuries in two incidents in which shells prematurely exploded in the mortar rack.

The Fire and Explosives Investigators continue to investigate the illegal sale of fireworks around July 4 with the subjects in each matter being turned over to the criminal justice system and the product being seized and destroyed.

Sources of Revenue and Expenditures for the State Fire Marshal

| | State Fire Marshal Sources of Revenue | | | | | |
|---|---------------------------------------|------------------------|------------------------|------------------------|------------------------|-------------|
| | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | |
| Capital | 165,777 | - | 1,000,986 | 538,305 | 281,884 | 1% |
| Misc. Revenue | 654,054 | 668,473 | 8,406,634 | 10,576,580 | 14,131,881 | 2% |
| Retailatory Fire Tax | 1,154,974 | 5,136,925 | 1,766,430 | 1,237,645 | 1,531,351 | 41% |
| BUSTR State fund | 1,676,175 | 1,215,767 | 1,770,668 | 1,464,438 | 1,353,035 | 5% |
| FD Pass Through Grants | 1,782,478 | 1,795,213 | 1,419,775 | 1,572,205 | 1,335,504 | 6% |
| BUSTR Grants | 1,932,100 | 1,459,400 | 2,711,405 | 2,935,974 | 2,794,877 | 6% |
| Fees | 2,515,786 | 2,878,131 | 7,512,383 | 6,820,566 | 8,198,703 | 11% |
| Fire Insurance | 6,688,410 | 6,570,590 | 10,608 | 1,129 | - | 27% |
| Fireworks Training | 8,250 | - | 104,000 | 111,969 | 71,328 | 0% |
| FD Loan Fund | 41,750 | 93,000 | 129,537 | 232,749 | 272,252 | 0% |
| VFFD Fund | 137,157 | 238,947 | 77,479 | 238,936 | 391,436 | 1% |
| Federal Grants - Acad | 175,237 | 202,302 | - | - | - | 1% |
| Sale of Real Property | - | 229,500 | - | - | - | 0% |
| Totals | \$ 16,932,148 | \$ 20,488,248 | \$ 24,909,904 | \$ 25,730,496 | \$ 30,362,251 | 100% |
| State Fire Marshal Expenditures by Program | | | | | | |
| | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | |
| Capital Improvement | 165,777 | 81,818 | 1,832,273 | 102,532 | 1,413,269 | 8% |
| Fireworks Training | 9,263 | - | 10,490 | 230 | 3,815 | 0% |
| Fire Commission | 8,642 | 14,647 | 9,834 | 10,771 | 16,771 | 0% |
| Administration | 2,493,045 | 1,752,215 | 2,534,243 | 2,610,992 | 2,575,426 | 17% |
| Testing & Registration | 2,353,979 | 2,416,910 | 310,207 | 443,990 | 490,839 | 3% |
| Code Enforcement | 2,659,248 | 2,671,416 | 2,465,078 | 2,275,885 | 2,601,229 | 15% |
| BUSTR | 1,781,085 | 1,795,210 | 2,380,380 | 2,579,424 | 2,670,066 | 15% |
| Grants to FD's | 1,672,050 | 1,569,637 | 1,770,668 | 1,464,433 | 1,353,039 | 9% |
| Academy | 1,679,018 | 1,889,285 | 2,200,479 | 2,434,472 | 2,260,637 | 16% |
| Investigations | 795,409 | 829,394 | 1,941,307 | 1,813,866 | 2,182,253 | 12% |
| Fire Prevention | 417,718 | 508,278 | 952,328 | 1,005,894 | 1,119,341 | 6% |
| Forensic Lab | 188,690 | 181,465 | 479,629 | 528,855 | 687,844 | 3% |
| VFFD Fund | - | - | 192,270 | 205,740 | 265,975 | 1% |
| FD Loan Fund | - | - | - | 180,491 | - | 1% |
| Totals | \$ 14,223,924 | \$ 13,710,273 | \$ 17,079,186 | \$ 15,657,575 | \$ 17,640,504 | 100% |
| Transfers to the General Revenue Fund | | | | | | |
| Fund | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | |
| 546 | | \$ | \$ 5,200,000 | \$ 7,100,000 | \$ 10,000,000 | |
| 653 | | \$ | \$ 800,000 | \$ | \$ | |
| Totals | | \$ | \$ 6,000,000.00 | \$ 7,100,000.00 | \$ 10,000,000.00 | |
| Net Income | \$ 2,708,224.00 | \$ 6,777,975.09 | \$ 1,830,718.05 | \$ 2,972,921.03 | \$ 2,721,746.79 | |

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