



# IDAHO

DEPARTMENT OF FINANCE



# 2007 Annual Report

Protecting the Integrity of Idaho Financial Markets Since 1905

C.L. 'Butch' Otter  
Governor

Gavin M. Gee  
Director



# IDAHO

DEPARTMENT OF FINANCE

July 1, 2007

THE HONORABLE C. L. "BUTCH" OTTER  
GOVERNOR, STATE OF IDAHO

Dear Governor Otter:

I am pleased to submit herewith the 102nd Annual Report of the Department of Finance for fiscal year 2007, July 1, 2006 through June 30, 2007.

In 2007, Idaho was ranked as the second lowest cost state in which to do business by the Milken Institute. Idaho's economy continues to grow, although the rate of growth has slowed from that experienced in recent years. In particular, growth in the financial services sector has remained positive, although the sector is likely to experience a drop in employment levels as the national and state housing markets continue to deteriorate.

Turmoil in the subprime mortgage market began to make headlines in Idaho and around the world. While the situation is indeed bleak in many areas, Idaho has not been as dramatically affected as other states. In fiscal year 2007, 2,311 Idaho properties entered some stage of foreclosure. However, only 120 (5.2 percent of total properties entering some stage of foreclosure) were actually repossessed by the lender. The percentage of residential mortgage loans nationwide that were seriously delinquent at fiscal year end was 2.47 percent. However, Idaho ranked an impressive 257 percent better than the national average at 0.96 percent. At fiscal year end, only three states ranked more favorably than Idaho for percentages of mortgage loans considered seriously delinquent. The Department continues to monitor these issues and we will work closely with those in the Idaho mortgage industry. We also continue to work closely with federal and other state regulators to provide timely and consistent guidance to mortgage industry participants.

Key performance measurements of Idaho financial services firms reflect continued growth and expansion of services throughout the state. Securities issuer filings increased 6.5% over fiscal year 2006 filings. Likewise, the number of securities firms and agents registered in Idaho increased nearly 9.7% over the previous fiscal year, to a record total of 77,489.

Idaho's community banks remain in excellent condition and continue to play an integral part in the state's economic growth. The Department issued two new bank charters (for banks in Driggs and Post Falls) in fiscal year 2007, and community bank expansion provided additional financial service choices in smaller communities where there were none. Assets and deposits in Idaho's community banks increased modestly this year. Net income also continued to trend upward.

At the same time, Idaho chartered credit unions experienced positive above-average growth in assets and shares (deposits). Branch expansion among both community banks and credit unions was active, providing additional choices for Idaho consumers. In fact, this year the Department approved Idaho Central Credit Union's application to open the first in-school branch in Idaho at Mountain View High School in Meridian, Idaho.

These increases in the financial services sector generate commensurate increases in the workload of our staff. Our employees have been up to the task and have done a superb job, pursuant to your administration's goals of providing quality and efficient service to our many stakeholders. This is in addition to the increased efforts of the employees to promote economic development, reduce regulatory burden, improve financial literacy, and protect consumers in the state.

In November, 2006, the Department relocated its office to 800 Park Boulevard, Boise, Idaho, 83712. The relocation accommodates recent staff growth, meeting and training facility needs and enables the Department to continue to maintain its presence in the Boise downtown area. Visitors and Department staff enjoy convenient, free parking and easy access from the I-84 connector at this new location.

The Department continues its participation in Small Business Information Fairs throughout the state, and educational efforts for industry. Again this year, consumer educational efforts remained a priority. For example, as in past fiscal years, Department employees made financial education presentations to high school students, remained active in the Idaho Financial Literacy Coalition, and co-sponsored and participated in the State Treasurer's Smart Women, Smart Money Financial Conference. We continued this year to participate in the Idaho Supreme Court's Guardianship Monitoring Project, primarily providing financial review of documents submitted by conservators and trustees in Bannock and Caribou counties. Finally, consumer protection efforts of the Department continue to result in money being returned to Idaho residents who are victims of fraud or other violations of law.

This Annual Report contains many other highlights of Department initiatives for both industry and consumers. I express my sincere appreciation for the support we have received from you, your staff, the Legislature, the industries we regulate and their associations, and our national associations, and for the dedication of our employees.

Sincerely,

GAVIN M. GEE  
Director of Finance

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## FOREWORD

The Department of Finance is a regulatory agency charged with the supervision and oversight of state-chartered financial institutions, regulated lenders, securities issuers, broker-dealers and stockbrokers, residential mortgage brokers, lenders, and loan originators, investment advisers and sales personnel, collection agencies, endowed care cemeteries, and others. The Department administers nine distinct programs. Two of these programs relate to the Department's internal operations, while the other seven involve the administration and enforcement of the following twenty-two regulatory statutes:

<i>Idaho Bank Act</i>	<i>Idaho Credit Code</i>
<i>Idaho Bank Holding Company Act</i>	<i>Idaho Mortgage Company Act</i>
<i>Idaho Interstate Banking Act</i>	<i>Idaho Collection Agency Act</i>
<i>Idaho Interstate Branching Act</i>	<i>Idaho Uniform Securities Act</i>
<i>Idaho International Banking Act</i>	<i>Idaho Residential Mortgage Practices Act</i>
<i>Idaho Trust Institutions Act</i>	<i>Business Combination Act</i>
<i>Idaho Savings Bank Act</i>	<i>Control Share Acquisition Act</i>
<i>Business And Industrial Development</i>	<i>Idaho Commodity Code</i>
<i>Corporation Act (BIDCO)</i>	<i>Endowment Care Cemetery Act</i>
<i>Idaho Credit Union Act</i>	<i>Continuing Care Disclosure Act</i>
<i>Idaho Money Transmitters Act</i>	<i>Idaho Escrow Act</i>
<i>Idaho Financial Fraud Prevention Act</i>	

## MISSION STATEMENT

The mission of the Idaho Department of Finance is to aggressively promote access to vigorous, healthy and comprehensive financial services for Idaho citizens. This is accomplished through prudent and efficient oversight of financial institutions, investment opportunities, and credit transactions. Through administration of laws enacted by the Idaho Legislature, legitimate financial transactions are encouraged, while fraud, unsafe practices, and unlawful conduct are detected and appropriate enforcement action is taken.

The Department is funded entirely by fees levied by law on the industries subject to its supervision. A list of prior Commissioners/Directors of the Department of Finance is shown in Exhibit I, and a summary of income and expenses and personnel status is shown in Exhibit II. Exhibit VII provides a list of the Department's staff.

## DEPARTMENT HIGHLIGHTS AND CURRENT ISSUES

The Department, originally known as the Idaho office of “State Bank Commissioner,” was created March 6, 1905. At that time, the Department administered only one law, the *Idaho Bank Act*, and regulated only the banking industry. Today, the Department oversees more than 152,000 entities in 15 different financial service industries with combined assets in the billions. The Department delivers services through three operating bureaus: Financial Institutions, Securities, and Consumer Finance. Each bureau delivers services in both a regulatory capacity and as a consumer protection and education advocate.

***National and Regional Economic Update*** – In a departure from the recent years of robust growth, the national economy’s rate of economic growth significantly slowed during fiscal year 2007. The slowdown primarily reflects a cooling of the housing market, turmoil in the mortgage and credit markets, and soaring oil prices. Consumers have begun to show signs of belt-tightening. Between 2003 and 2006, real spending by consumers increased by at least 3.0 percent; however, during the second quarter of 2007, spending rose only 1.4 percent. On a positive note, reduced consumer spending is expected to increase the U.S. personal savings rate from last year’s low of 0.4 percent to 2.4 percent in 2010.

The states’ battle against federal preemption of state laws suffered a setback this year with the US Supreme Court’s decision in *Watters v. Wachovia Bank*. The *Watters* case addressed whether certain administrative regulations of the Office of the Comptroller of the Currency (OCC) preempt Michigan's state laws regulating mortgage lending as applied to a nonbank, operating subsidiary of a national bank. The OCC took the position that an operating subsidiary of a national bank is entitled to the same preemption of state law that would be applicable to the national bank itself. The Supreme Court held that Michigan’s mortgage lending laws were preempted by the National Bank Act, in the case of national bank operating subsidiaries. The Court relied heavily on the National Bank Act’s “visitorial powers” provision in concluding that this exclusive visitorial power applied to national bank operating subsidiaries, as well as national banks themselves.

The past year also saw a flurry of activity in Congress over whether to allow commercial firms to own a form of bank called an “industrial loan company.” Concerns have been raised about the separation of banking and commerce as well as the proper supervisory framework for

commercial companies that own a federally insured bank. An FDIC-imposed moratorium is in effect until Jan. 31, 2008, on deposit insurance applications and change in control notices for ILCs that would be owned by commercial firms. The moratorium does not apply to financial companies that own ILCs.

***Idaho Economic Conditions*** – Economic growth in Idaho continued this fiscal year, but at a much more subdued level than seen in the recent past. In addition to the factors affecting the national economy, Idaho economists point to local conditions that impact the economy. Two important factors are the job reductions at Idaho’s largest private employer, Micron Technology, and reductions in housing starts and related construction employment. However, economists expect the Idaho nongoods-manufacturing sector, which includes the financial services industries, to actually see job growth between 2007 and 2010. While the financial services component of the nongoods sector will be negatively impacted by the housing downturn, its job base is still expected to expand 2.8 percent between 2007 and 2010.

Idaho’s community banks remain in excellent condition and continue to play an integral part in the state’s economic expansion. The Department issued two new bank charters in fiscal year 2007, and branch expansion provided additional financial service choices in smaller communities where there were none. Although deposit growth has slowed over the past 12 months, Idaho based community banks continue to increase their market share of those deposits. Moreover, in the midst of the real estate market slowdown and subprime mortgage debacle, Idaho-based financial institutions continue to outperform other institutions in the nation, reporting greater profitability, higher levels of capital, and stronger asset quality. These positive factors are testament to sound management practices of Idaho’s state-chartered banks, even during times of slower economic expansion and market challenges.

The credit union industry as a whole remains healthy. Idaho-chartered credit unions displayed positive growth trends in assets, shares (deposits), and loans. As state-chartered credit unions strengthened loan underwriting and collection practices, delinquency ratios fell accordingly. Stronger asset growth in 2006 was the primary reason for the slightly lower gains in overall net worth and net income to average asset ratios. Nonetheless, shares in state-chartered credit unions increased two-fold in 2006. Additionally, branch expansion activity in some significantly underserved areas of Idaho created additional choices for Idaho consumers.

Problems related to the subprime mortgage market made headlines virtually every day during the fiscal year. While the difficulties are widespread, states, including Idaho, have been proactive in seeking ways to regulate the mortgage industry for many years. A critical step in this process is the states' forthcoming mortgage licensing system and regulatory database, the Nationwide Mortgage Licensing System (NMLS), discussed more fully below.

State and federal authorities have also coordinated their efforts to regulate the mortgage industry in other ways. A summary of three major regulatory initiatives, adopted or in the process of being adopted in Idaho, is as follows:

- The publication of interagency guidelines for nontraditional and subprime lending and the subsequent issuance of parallel guidance for state-supervised entities, followed by state-developed model examination procedures to test and monitor providers' adoption of these guidelines;
- The development of a multi-state protocol for examination and enforcement alliances to build upon the success of previous state predatory lending enforcement cases; and
- The development of a state-federal pilot examination program which brings state examiners together with examiners from the various federal financial regulators to conduct simultaneous examinations of mortgage companies whose separate charters cross federal and state jurisdiction.

***Legislation and Rulemaking*** – The Department introduced no legislation during the 2007 legislative session. The Department presented only one rule for approval. The rule updated references to dates in order to make Idaho law uniform with the federal Truth-In-Lending Act and the Real Estate Settlement Procedures Act.

***Electronic Commerce and Technological Adaptation*** – This year the Department built on the 2006 Idaho Legislature's authorization for Idaho to participate in the Nationwide Mortgage Licensing System (NMLS). The NMLS will be used by state residential mortgage regulators to accept and process national, uniform license applications and renewal forms that have been created by state regulators over the past three years. This year, the Department began using the uniform application forms adopted by the NMLS to facilitate the transition to the automated system and enhance uniformity among the states in the mortgage industry licensing process.

Licenses will be able to electronically submit a single record in the system to apply for, amend, renew, and surrender licenses in one or more states. The system will manage state licenses for mortgage companies, branches, and individuals. The NMLS was jointly developed

by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR). The Department of Finance will be among the first group of states to “take the system live” starting in January 2008.

The Department continues its commitment to find ways to streamline regulation while improving internal productivity. The application of new technology, regulatory adaptation, and operational design has allowed the Department to provide appropriate oversight for significantly more entities and individuals. During the fiscal year, the Department recorded and processed more than 152,000 submissions for securities filings, registration/license applications, charter applications and others. Most Idaho registered securities sales agents (now numbering approximately 75,000) have been licensing electronically since the 1980s. Also, the Department continued its participation in a national electronic licensing and filing system for investment advisory firms and their agents. The Department plans to eventually have the capability to accommodate electronic submission capabilities for each industry overseen by the Department. The Department’s current web address is <http://finance.idaho.gov>.

***Staff Professional Activities*** – Department staff members are committed to maintaining and improving their skills in order to provide quality service and to keep pace with today’s rapidly changing industry and regulatory environment. For example, this April the Financial Institutions Bureau hosted a three-day training session of BANKdynamics. This is a web-based bank simulation module used to teach financial analysis and bank management. In addition to the Department’s examiners, examiners from Montana, Washington and the FDIC also participated.

Beyond staying current on developing issues such as electronic banking and data security, staff members participated in various interstate workgroups. Groups with which the Department worked, and of which the Department is a member, include the North American Securities Administrators Association (NASAA), the Conference of State Bank Supervisors (CSBS), National Association of State Credit Union Supervisors (NASCUS), National Association of Consumer Credit Administrators (NACCA), American Association of Residential Mortgage Regulators (AARMR), the North American Collection Agency Regulatory Association (NACARA) and the Idaho Financial Literacy Coalition.

The Director of the Department of Finance is the Chairman of the CSBS State Regulatory Registry (SRR) Board, which is the oversight board for the Nationwide Mortgage Licensing System (NMLS). He currently serves as vice-chairman of the Idaho Endowment Fund Investment Board. He is a member of both the Idaho Supreme Court Guardianship & Conservatorship Committee and the Idaho Individual Development Account Advisory Board. He also serves on the board of directors of CSBS and several committees of both CSBS and NASCUS. The Department's Consumer Finance Bureau Chief, Michael Larsen, serves as a Board member for AARMR and Vice President of NACARA.

## **REGULATORY AND EDUCATIONAL INITIATIVES**

Significant changes in the regulatory and competitive structures of the financial services industry continue to occur. These changes require adaptation by both industry and regulators. In this regard, the Department and its staff have engaged in several activities associated with improving regulation and reducing regulatory burdens, while also expanding educational opportunities for both industry and consumers.

*Idaho Financial Services Development* – The Department continues to encourage the financial services industry to expand its services into rural communities across the state. During fiscal year 2007, the Department chartered two new banks, approved five financial institution branches and six branch relocations in Idaho communities. Eight out-of-state headquartered state banks also opened offices in various Idaho locations.

*Individual Development Account (IDA) Advisory Board* – The Idaho IDA Program is an asset-building program that helps qualified low-income applicants purchase a home, go to school, or start a business. With matching funds saved in these accounts from various sources, IDAs promote self-sufficiency and build personal assets that help low-income individuals and families move out of poverty. The Director of the Department of Finance serves on the Idaho IDA Advisory Board. This year, the first three IDA accounts were opened in Southeastern Idaho. It is hoped that this initial success will spread throughout Idaho.

***Regulatory Burdens and Related Costs*** – The Department continues its commitment to provide reasonable regulatory oversight without imposing excessive costs on industry. Idaho’s overall regulatory fees are among the lowest of any state in the country. Moreover, annual assessments charged to banks and credit unions were discounted from the statutory maximum amounts for the twelfth year in a row. This discount has resulted in significant savings for state-chartered financial institutions.

In addition to reducing fees, the Department is implementing ways to reduce other regulatory burdens without reducing the effectiveness of its regulatory oversight. For example, the Department continues to explore ways to direct its examination resources more effectively by reducing the number of staff hours spent in institutions that are healthy and that routinely gain high marks for financial and operational integrity.

***Small Business Capital Formation Efforts*** – The Department continues to participate with more than a dozen state and federal agencies in Small Business Information Fairs held throughout the state. The fairs are a one-stop source of information for persons interested in starting a small business. At these events, the Department presents information about financing options for small businesses in addition to providing assistance in understanding and complying with the various laws the Department administers.

The Department also participated in the Eighth Annual Intermountain Venture Forum (IVF) held in Boise. The IVF is coordinated by the Boise Valley Economic Partnership, and is a community event presented by a coalition of investors, mentors, service providers, government agencies (including our Department) and civic organizations. The IVF is designed to promote Idaho and the Intermountain West as a place where venture capital can fund innovative ideas and nurture next-generation companies. At the IVF, dozens of promising companies from throughout the Intermountain West will be presented to some of the nation’s largest and most prestigious venture capital firms.

***Industry Educational Efforts*** – The Department continues its efforts to assist industry in understanding and complying with regulatory requirements. During the course of each year, members of the Department’s staff make presentations before various local industry groups. In many cases, the Department delivers information on current industry compliance issues, as

well as helping industry to better understand how the Department operates. Often, these presentations result in an opportunity for industry participants to have specific issues and concerns addressed in an informal discussion setting. The Department's Consumer Finance Bureau publishes a bi-annual industry newsletter entitled "*The Idaho Compliance Connection*" as a tool to inform collection agencies, mortgage brokers, mortgage lenders, mortgage originators, regulated lenders, escrow agencies, and payday lenders about statutory and regulatory requirements and changes.

Throughout the year the Department provides educational opportunities for industry participants. Among such programs presented this year were:

- The Department co-sponsored, with the FDIC and the Idaho Bankers Association, a seminar in Boise for all state banks on compliance related topics, including the Community Reinvestment Act, the Home Mortgage Disclosure Act and the Fair and Accurate Credit Transactions Act.
- The Department conducted mortgage licensee training seminars in Boise, Twin Falls, Idaho Falls, Pocatello and Coeur d'Alene for nearly 700 participants covering Idaho's continuing education requirement, Idaho's Guidance on Nontraditional Mortgage Product Risks and the Nationwide Mortgage Licensing System (NMLS). Continuing education credits were offered to loan originators who attended the trainings.
- For the fifth year in a row, the Department hosted and co-sponsored with CSBS/The Colorado Graduate School of Banking a Bank Directors Training Seminar in Coeur d'Alene.
- Department staff and a Department deputy attorney general made a presentation at the 2007 Annual Conference of the Idaho Collectors Association.
- Department staff spoke to the Treasure Valley Estate Planners Council about current investment scams.
- The Department staffed a booth at the 2006 Idaho Conference on Housing providing attendees with information on Idaho mortgage licensing requirements as well as informational brochures on mortgage products and related issues.
- Department securities staff spoke at a meeting of the Idaho Society of Financial Service Professionals covering topics including referral arrangements, fee splitting and privacy.
- Department Lead Deputy Attorney General Rene Martin participated as an instructor at the Idaho Victim Assistance Academy. She taught a 40-hour training session to law

enforcement personnel, victim witness coordinators, crime victim service providers, advocates, criminal justice personnel and related professionals on the topic of “Information and Financial Crime (White Collar Crime). The program is funded by a grant from the U.S. Department of Justice.

- The Department Director made presentations at the annual and legislative conferences of both the Idaho Community Bankers Association & Idaho Credit Union League.
- The Department Director and Consumer Finance Bureau Chief made presentations to the annual meeting of the Idaho Financial Services Association.
- Consumer Finance Bureau staff made educational presentations during the 2006 Annual Conference of the Idaho Association of Mortgage Brokers.
- Consumer Finance Bureau staff made educational presentations during the 2007 Annual Conference of the Idaho Mortgage Lenders Association.
- The Department was pleased to host the 106<sup>th</sup> Annual Meeting and Conference of the Conference of State Bank Supervisors (CSBS) on May 30-June 1, 2007 at the Coeur d’Alene Resort in Coeur d’Alene, Idaho. CSBS is the nation’s leading advocate for the state banking system and the only national organization dedicated to advancing the dual banking system. This meeting is the largest annual gathering of state and federal banking regulators, state bank CEOs, industry policy makers and representatives of companies who support the banking industry.

***Consumer Educational Efforts*** – The Department has a long tradition of providing educational resources to Idahoans. The Department maintains an active “speakers bureau” and provides educational presentations on a variety of topics including investment fraud and consumer credit issues. This year staff presentations included those at the Cambridge Senior Center, The Conference on Housing, local churches, the Idaho State Treasurer’s Smart Women, Smart Money Conference, the Idaho Office on Aging’s Coming of Age Conference, AARP’s Senior Scam Jams, Alterra Villa Retirement Center and others. The Department also co-sponsored with AARP and the Idaho Financial Literacy Coalition conferences called “Money: Growing It and Protecting It”. The Department also joined with other members of the Idaho Financial Literacy Coalition to staff a booth in February for Financial Literacy Day at the Legislature.

The Department continues its ongoing commitment to the education of Idaho's youth. The Department offers its expertise to Idaho's high school and college students through presentations given by Department representatives throughout the year. Presentations were made to 125 classes this year covering topics such as Securities and Investing Basics, Investment Fraud and How to Avoid It, Basics of Consumer Credit and Mortgage Lending, Consumer Fraud Prevention, and First-Time Home Buying. Three Department staff members served as judges for the Idaho chapter of the Business Professionals of America (BPA) conference at Boise State University. The BPA is a national organization dedicated to promoting hands-on business related education to high school students.

***Financial Literacy Month 2007*** – Joining state securities regulators and a broad-based coalition of consumer groups and industry members, including the Idaho Financial Literacy Coalition, the Department participated in the ninth annual Financial Literacy Month during the month of April. During the month, the Department made presentations to eighteen high school classes around the state with more than 235 students participating. Six education-related press releases were issued during the month, including an announcement of the Governor's Financial Literacy Month Proclamation, information on credit repair scams, affinity fraud, fraudulent cashier's checks, and international investment fraud.

***Idaho Financial Literacy Coalition*** – The Department remained actively involved in the Idaho Financial Literacy Coalition (IFLC) again this year. The IFLC is comprised of a broad array of individuals from government, education, segments of the financial services industry, and for-profit and non-profit groups. The mission of the IFLC is to improve the quantity and quality of information and educational programs related to personal finance by providing resources and instruction to educators, youth leaders, and others in need of assistance or at financial risk.

***Industry and Regulatory Cooperation and Coordination*** – The Department makes significant efforts to coordinate its activities with both industry and other regulatory agencies. Such coordination and cooperation is increasingly important in an interstate, international and electronic commercial world. The Department meets regularly with industry trade associations and other state and federal regulators. The Department has also continued to work closely with CSBS and AARMR on the Nationwide Mortgage Licensing System (NMLS).

In May 2006, the Department, along with other state securities regulators, the North American Securities Administrators Association (NASAA), the Securities and Exchange Commission (SEC), the NASD and the NYSE Member Regulation Inc. (now consolidated as the Financial Industry Regulatory Authority, or FINRA), announced a coordinated national initiative designed to protect seniors from investment fraud and sales of unsuitable securities. As part of this effort to protect senior investors, regulators focused their attention on broker-dealers, investment advisers and other financial services firms that offer so-called “free lunch” sales seminars. These seminars are widely offered by financial services firms seeking to sell financial products, and they often include a free meal for attendees. As a result of this initiative, financial services firms have been cautioned to more actively supervise these sales seminars, and ensure the recommendations made to seniors are suitable.

***Securities Investor Education Fund*** – The Department continues to stress the overall importance of financial literacy among Idahoans as a means to reduce the number of fraud victims and other investment related complaints. The Securities Investor Education Fund, established as part of the Idaho Uniform Securities Act, provides a source of funding for securities investor education and training. As of September 1, 2004, monies received as part of civil penalties and administrative fines have been used to establish a fund (up to \$50,000) for the education of Idaho investors. This fiscal year, the SIEF was funded largely as the result of the securities settlement with Wachovia Capital Markets, part of the global settlement of the research analyst cases this year.

## **INDUSTRY RESULTS IN IDAHO**

***Banking in Idaho*** – Because of Farmers & Merchants State Bank’s conversion to Bank of the Cascades, an Oregon state-chartered institution, and other economic challenges, Idaho-based financial institutions experienced more modest asset and deposit growth than in past years. In calendar year 2006, Idaho state-chartered banks grew total assets by \$194 million to \$4.9 billion, or just over 4 percent. Deposits also grew by \$99 million to \$3.9 billion or 3.5 percent.

***Credit Unions in Idaho*** – Idaho state-chartered credit unions experienced above-average growth in both assets and deposits over the past calendar year. Total assets of state-chartered credit unions increased by \$154 million or 10.8 percent, and total aggregate net worth increased by \$13.5 million to \$143 million. Idaho-based credit unions also experienced strong growth in shares (deposits) to \$1,418 million, an increase of \$159 million or 12.6 percent.

***Consumer Finance*** – Despite the downturn in residential mortgage loan offerings, consumer credit remains readily available in Idaho. This year, the Department had regulatory oversight responsibility for 1,367 licensed regulated lender and title lender office locations, 204 licensed payday lender office locations, 1,908 licensed mortgage broker/lender office locations, 17 licensed escrow agency locations, and 4,716 individual mortgage loan originator licensees. In addition, the Consumer Finance Bureau had regulatory oversight responsibility for 186 Idaho-based licensed collection agency office locations and 468 out-of-state collection agency office locations. The number of collection agency solicitors/collectors registered in Idaho was 57,076 at fiscal year end.

***Securities*** – The Securities Bureau processed more than 86,000 submissions in fiscal year 2007, up 9.3% from the prior year. The Bureau’s oversight also extends to nearly 76,000 individuals who currently hold Idaho registrations as broker-dealer agents, investment adviser representatives and issuer agents. This represents a 9.86% increase over the prior fiscal year. Through civil and administrative sanctions, the Bureau obtained orders for approximately \$3.5 million in rescission for Idaho investors. The potential financial impact of securities cases under investigation during the fiscal year approached \$30 million.

## **FINANCIAL INSTITUTIONS BUREAU**

*Idaho Bank Act*  
*Idaho Bank Holding Company Act*  
*Idaho Financial Fraud Prevention Act*  
*Idaho International Banking Act*  
*Idaho Interstate Banking Act*  
*Idaho Interstate Branching Act*  
*Idaho Trust Institutions Act*  
*Idaho Savings Bank Act*  
*Business and Industrial Development Corporation Act*  
*Idaho Credit Union Act*

The Financial Institutions Bureau is responsible for promoting the safety and soundness of state-chartered commercial banks, savings banks, credit unions, bank holding companies, trust companies, and business and industrial development corporations operating in Idaho. The Bureau not only ensures that these institutions are operating safely and soundly, but that the public can have confidence in the financial system, and that the interests of depositors, creditors and shareholders are protected. The Bureau is responsible for enforcement of the *Idaho Bank Act*, *Idaho Bank Holding Company Act*, *Idaho Financial Fraud Prevention Act*, *Idaho Interstate Branching Act*, *Idaho Interstate Banking Act*, *Idaho International Banking Act*, *Idaho Savings Bank Act*, *Idaho Trust Institutions Act*, *Idaho Credit Union Act*, and *Business and Industrial Development Corporation Act*. The Bureau supervises state-chartered institutions by providing high-quality supervision directed at identifying material or emerging problems in individual institutions or the financial service industry, and ensuring that such problems are appropriately corrected. The Bureau monitors and evaluates the financial health of state-chartered institutions, along with the various risks facing these institutions, through the on-site regulatory examination process and off-site monitoring program. The Bureau also investigates complaints against state-chartered financial institutions filed with the Department.

The Department continues to focus on increasing financial options for consumers, especially in rural areas, and actively strives to enhance services for Idaho residents and the industries it regulates. In addition to substantial asset growth in Idaho's financial institutions, branch expansion activity remained robust around the state during the past year.

In recent years, financial modernization has eliminated many competitive barriers. The ever-changing face of the financial services industry continues to present business opportunities and

regulatory challenges. In addition, rapid advances in technology have produced innovative methods of delivering financial products and services. The future will bring fresh challenges, and the Department is prepared to meet them by establishing and maintaining high, consistent standards and investing in its employees.

### ***National Accreditation***

The Conference of State Bank Supervisors (CSBS) and the National Association of State Credit Union Supervisors (NASCUS) have established accreditation standards for both bank and credit union supervision and regulation. The accreditation process requires a comprehensive review of all factors needed to have a fully functional regulatory organization. The bank and credit union sections were initially accredited in 1990. Every year, the accreditation committee requires updated information to maintain accredited status. A full-scale re-accreditation occurs every five years and was last renewed in 2005. The Department's banking and credit union programs have been accredited by CSBS and NASCUS continuously since 1990, contributing to the Department's ranking among the top banking departments in the country.

### ***Education and Examiner Training***

Continuing education and training continue to be very important elements in maintaining accreditation, as well as maintaining confidence and validation with those we regulate. The Department continues to actively support this process for its examiners. During fiscal year 2007, examiners attended training sessions provided or sponsored by the Federal Deposit Insurance Corporation, the Federal Reserve System, and Federal Home Loan Banks. Educational opportunities were also provided through these agencies via electronic capabilities, and examiners participated in several audio and video presentations by those agencies during the past year. In April, the Department sponsored a 3-day training session of BANKdynamics, a web-based bank simulation module used to teach financial analysis and bank management. This training was provided by Olson Research, Inc., at the Department's facility, and one team of examiners from the Department earned the second best performance ever achieved in the history of BANKdynamics training. Olson Research, Inc., has been involved with consulting and providing financial modeling services for financial organizations since 1970.

## **BANKING SECTION**

The Banking Section is charged with the responsibility of supervising Idaho's state-chartered commercial banks, savings banks, and bank holding companies to ensure safe and prudent banking practices for the benefit of depositors and shareholders, to maintain public confidence in the banking system, to promote fair competition, and to encourage the continuation, maintenance, and preservation of the dual banking system. The Banking Section also licenses and supervises financial institution trust departments, independent trust companies, and business and industrial development corporations (BIDCOs).

As of June 30, 2007, there were eight bank holding companies, fourteen commercial banks (three with trust powers), no Idaho state-chartered trust companies, and one BIDCO under the Banking Section's direct supervision. The Banking Section has additional responsibilities, as the host-state supervisor, for eight state-chartered banks operating in Idaho and chartered by other states. As of June 30, 2007, these institutions held \$2.2 billion of Idaho deposits and operated 67 offices throughout the state. AmericanWest Bank (10 branches), Banner Bank (7 branches), Inland Northwest Bank (2 branches), Sterling Savings Bank (19 branches), and Washington Trust Bank (11 branches) are chartered by the State of Washington; Bank of the West (5 branches) is chartered by the State of California; Bank of the Cascades (12 branches) is chartered by the State of Oregon; and Lewiston State Bank is chartered by the State of Utah. As a host-state supervisor, the Banking Section also has indirect supervision over eight out-of-state bank or financial holding companies with banking operations in Idaho.

In fiscal year 2007, the Banking Section completed thirteen safety and soundness examinations, four consumer compliance examinations, and one trust examination. The Banking Section performed twelve information technology and Bank Secrecy Act examinations in conjunction with their respective safety and soundness examinations, and it participated on one new bank field investigation and one new bank visitation during the fiscal year.

### ***Legislation***

Congress passed a bill amending the Financial Services Regulatory Relief Act of 2006 to clarify the provision that extended the examination cycle for some banks. The regulatory-relief

law allows regulators to examine well-capitalized and well-managed institutions with assets up to \$500 million once every 18 months if they were rated “outstanding” at their previous examination. The prior law capped the asset size for the extended examination cycle at \$250 million, but allowed it, at the discretion of the regulator, for banks rated “good.” The amendment, introduced and sponsored in the Senate by Idaho Senator Mike Crapo, ensures that the benefit will be available to banks rated “outstanding” or “good,” consistent with prior law. The Conference of State Bank Supervisors, the four federal bank and thrift regulators and the Department of Finance all supported this amendment. The amendment allows regulators the flexibility to decide if a bank should be examined more frequently than 18 months, even if that bank meets the criteria for a longer examination cycle, and to better use their resources by directing them to the institutions that need more attention.

## **IDAHO BANKING INDUSTRY REVIEW**

### ***Performance and Condition of Idaho Financial Institutions***

As of June 30, 2007, there were 19 financial institutions (14 state-chartered banks, 2 national banks, and 3 federal thrifts) based in Idaho with combined assets of \$7.2 billion, loans and leases of \$5.6 billion, and deposits of \$5.7 billion<sup>1</sup>. Idaho-based financial institutions continue to outperform the nation and reported greater profitability, higher levels of capital, and stronger asset quality than all financial institutions combined in the nation as of the second quarter of 2007. Return on assets of Idaho institutions was 1.28 percent as of June 30, 2007, compared to 1.21 percent for institutions nationwide. Idaho’s core capital ratio was 11.31 percent versus 8.16 percent for the nation, and the percentage of Idaho’s noncurrent loans to total loans was 0.18 percent, well below the 0.90 percent for the nation. Idaho institutions reported net charge-offs of 0.08 percent compared to 0.47 percent for the nation. Deposits of institutions based in Idaho grew 12.4 percent to \$5.4 billion, while the growth rate for those nationwide fell from 8.7 percent to 3.9 percent. The asset growth rate of 19.4 percent for Idaho-based institutions also exceeded the nationwide average of 11.6 percent.

Strong demographic trends support Idaho’s above-average performance. Favorable migration trends have supported the state’s expansion as an increasing number of migrants have settled in Idaho. Idaho’s unemployment rate remains stable at less than 3.00 percent, although growth in

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<sup>1</sup> Source: FDIC Statistics on Depository Institutions

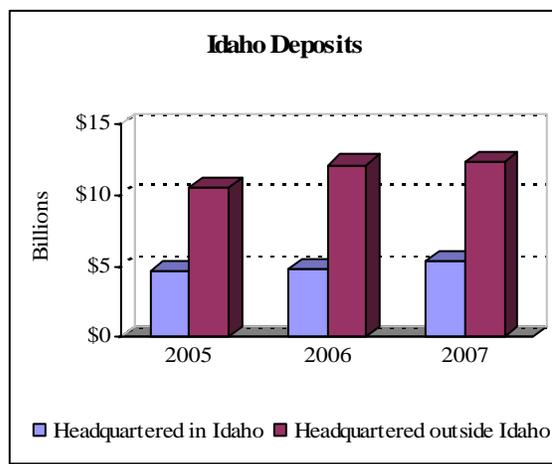
\* Includes only state-chartered banks headquartered in Idaho as of 12/31/2006 and 12/31/2005

housing-related employment has steadily trended downward and has affected a broad range of industries from construction to professional/business services and financial services. Housing-related employment was a large contributor to growth during the housing boom, providing over a third of the new jobs created between 2003 and 2006. The state's economy is expected to perform relatively well as it eases into a more moderate and sustainable pace of growth supported by strong fundamentals (strong population and in-migration growth and low unemployment).

The slowdown in the real estate markets and problems in the subprime mortgage market have been a major topic of national economic concern during 2007. Idaho community banks have shielded themselves from losses in subprime mortgages, such as those reported by other institutions, by not participating in these lending programs. Community banks around the entire state have experienced decreased levels of income generated through mortgage lending in 2007 because of decreased residential real estate sales activities. Spurred by significant expansions in commercial and residential real estate activities in the state in recent years, Idaho community banks have expanded upon or increased their efforts and procedures for monitoring their real estate lending activities. Risk management examinations performed by our examiners include an in-depth review of each bank's practices and procedures for monitoring their risk exposures in various commercial, development, and residential real estate lending activities. Results of examinations indicate the banks are aware of real estate activity levels in the markets they serve and, in general, are proactive in monitoring their risk exposure levels.

### ***Idaho Deposit Growth Slows But Exceeds National Deposit Growth Rate***

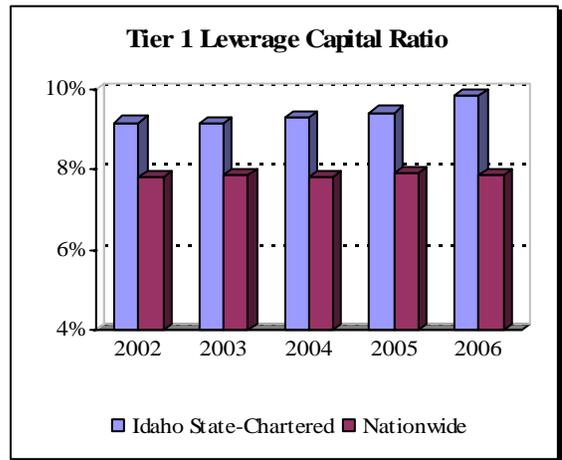
As of June 30, 2007, there were 36 commercial banks and savings institutions operating 522 offices competing for deposits in Idaho, compared to 34 institutions with 496 offices reported as of June 30, 2006. Institutions headquartered outside of Idaho continue to hold a large percentage of Idaho deposits (69.9 percent), but the 19 institutions based in Idaho continue to gain market share and hold 30.4 percent of Idaho deposits, up from 28.3 percent of the market share last year.



Total deposits in Idaho increased 4.8 percent during the year to \$17.7 billion as of June 30, 2007. Deposits of institutions based in Idaho grew 12.4 percent to \$5.4 billion, while institutions based outside Idaho gained 1.8 percent to \$12.3 billion. Over the past ten years, deposits in Idaho have grown 85.5 percent from \$9.5 billion to \$17.7 billion, and Idaho ranked 27th in the nation for deposit growth as of June 30, 2007. Deposit growth for all commercial banks in the nation has slowed over the past twelve months, down from 8.7 percent to 3.9 percent. Deposit growth in Idaho showed a similar drop, falling from 11.5 percent to 4.8 percent, but still exceeded the national deposit growth rate. Institutions operating in Idaho added \$812 million to the deposit base.

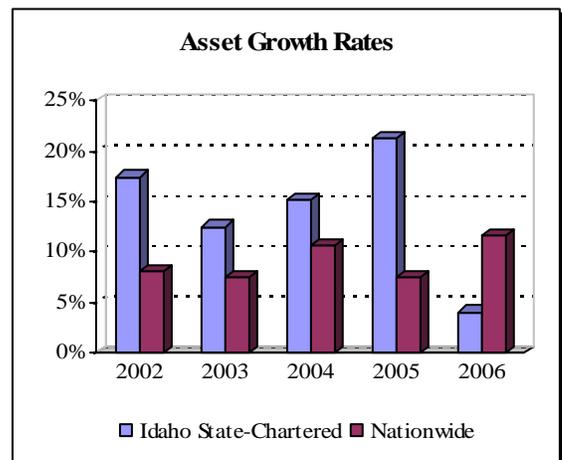
***Idaho State-Chartered Banks Hold Higher Capital Levels Than National Average***

Idaho state-chartered banks reported an increase in the average Tier 1 Leverage Capital ratio to 9.83 percent as of December 31, 2006, up from 9.41 percent as of December 31, 2005, and exceeded the average of 7.86 percent for all commercial banks in the nation. Total equity capital of state-chartered banks increased 7.7 percent in 2006 from \$482 million to \$520 million. State-chartered banks reported similar increases in other key capital measurements with the average Tier 1 Risk-Based Capital ratio increasing to 11.49 percent from 11.29 percent and the average Total Risk-Based Capital ratio increasing to 12.67 percent from 12.49 percent, compared to the national average of all commercial banks of 9.78 percent and 12.36 percent, respectively.



***Idaho Banks Reported Slower Asset Growth for 2006***

Idaho state-chartered banks reported total assets of \$4.9 billion as of December 31, 2006, a 4.1 percent increase from \$4.7 billion on December 31, 2005. The asset growth rate reflects the acquisition by



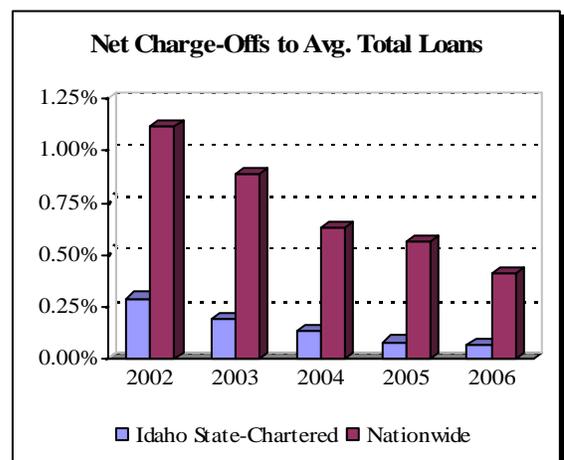
Bank of the Cascades of Farmers & Merchants State Bank in 2006, which reported \$611 million in total assets as of December 31, 2005. Excluding the effects of this acquisition, total assets of state-chartered banks increased \$805.5 million or 19.4 percent, slightly below the growth rate of 21.6 percent in 2005 and above the 15.2 percent growth rate in 2004, and higher than the growth rate for all commercial banks in the nation of 11.6 percent.

Loans and leases held by state-chartered banks totaled \$3.7 billion as of December 31, 2006, an increase of \$224 million or 6.4 percent from \$3.5 billion as of December 31, 2005, slightly above the 11.2 percent reported by all commercial banks in the nation. Adjusting for the above-mentioned acquisition, state-chartered banks reported a 22.2 percent increase in total loans and leases, which is down slightly from the 24.6 percent loan growth reported in 2004 and 2005. Loans secured by real estate increased \$276.6 million or 12.2 percent to \$2.5 billion, including a 23.4 percent gain in construction and land development loans. During 2006, state-chartered banks experienced a decline in commercial and industrial loans of 5.1 percent to \$692.5 million and loans to individuals of 9.3 percent to \$162.9 million.

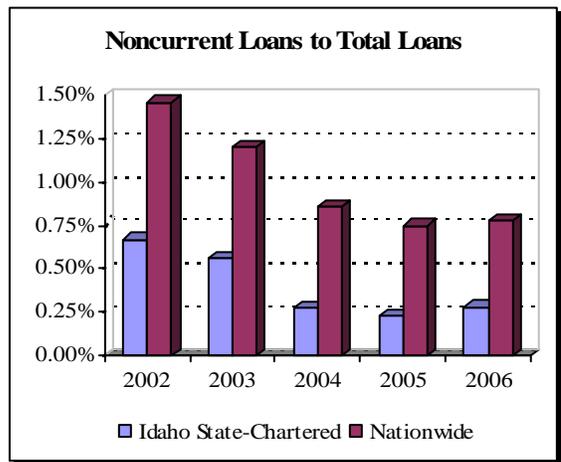
Idaho state-chartered banks reported \$4.0 billion in total deposits as of December 31, 2006, an increase of \$99.2 million or 2.6 percent from \$3.9 billion as of December 31, 2005. The growth rate of deposits held by state-chartered banks was well below the 14.9 percent growth reported in 2004 and 20.8 percent reported in 2005, as well as the 10.8 percent increase reported for all commercial banks in the nation. Adjusting for the acquisition of Farmers & Merchants State Bank, deposit growth of state-chartered banks was above the national rate and increased \$596 million or 17.7 percent during 2006.

***Sound Asset Quality in Idaho Banks***

Idaho state-chartered banks continue to report sound asset quality, as key credit quality indicators remain well below the level for all commercial banks in the nation. Net charge-offs to total loans and leases for state-chartered banks was 0.07 percent in 2006, compared to the national average of 0.41 percent.



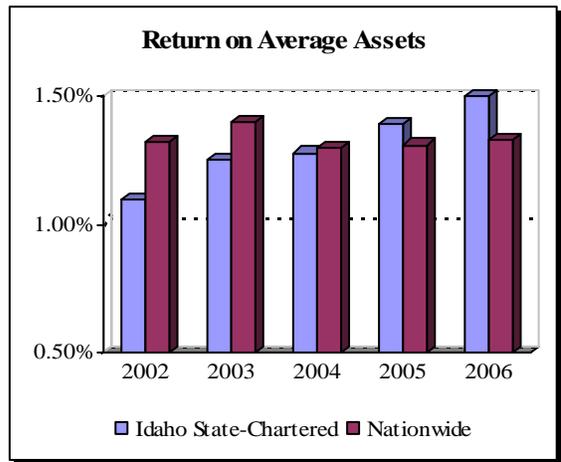
Noncurrent loans (past due 90 days or more and nonaccrual loans) were 0.28 percent of total loans, a slight increase from 0.23 percent the prior year, but well below the 0.78 percent reported for banks nationwide. Nonperforming assets accounted for 0.24 percent of total assets for state-chartered banks, while the banks nationwide reported nonperforming assets of 0.51 percent. For the second consecutive year, state-chartered banks



reported higher reserves for possible loan losses than for all banks nationwide, despite strong asset quality indicators. The allowance for loan and lease losses for state-chartered banks stood at 1.38 percent of total loans as of December 31, 2006, compared to 1.16 percent for all commercial banks in the nation.

***Strong Earnings for Idaho State-Chartered Banks***

Idaho state-chartered banks reported earnings of \$68.1 million in 2006, a 12.4 percent gain over the previous year's earnings of \$60.6 million. Net interest income increased 10.2 percent during 2006 to \$234.1 million, which was offset by a 6.7 percent rise in salaries and employee benefits. The net interest margin increased from 5.35 percent to 5.67 percent, the highest level in ten



years and well above the 3.39 percent reported for all commercial banks in the nation. Yield on earning assets of state-chartered banks grew from 7.0 percent to 8.11 percent, while the cost of funding earning assets rose from 1.65 percent to 2.44 percent. Total noninterest income declined 2.5 percent, driven by slowing real estate markets and lower mortgage origination activity. The return on assets of state-chartered banks for 2006 was 1.50 percent, up from 1.39 percent and 1.28 percent the past two years and above the 1.33 percent return on assets for all banks nationwide.

**Commercial Banks Based in Idaho  
Aggregate Condition and Performance**

Idaho Banks	06/30/2007	06/30/2006	\$ Change	% Change	12/31/2006	12/31/2005	\$ Change	% Change
<i>(dollar figures in millions)</i>								
Number of institutions reporting	16	14	2	14%	14	14	0	0%
Total employees (full-time equivalent)	2,060	1,758	302	17%	1,826	1,780	46	3%
<b>AGGREGATE CONDITION AND INCOME DATA</b>								
Net income (year-to-date)	38	35	3	9%	68	61	7	11%
Total assets	5,699	4,841	858	18%	4,951	4,758	193	4%
Earning assets	5,229	4,406	823	19%	4,524	4,303	221	5%
Total loans & leases	4,339	3,643	696	19%	3,728	3,504	224	6%
Other real estate owned	2	2	0	0%	1	1	0	0%
Total deposits	4,555	3,961	594	15%	3,973	3,874	99	3%
Equity capital	669	525	144	27%	519	482	37	8%
<b>PERFORMANCE RATIOS (YTD, %)</b>								
			<b>BP Change</b>				<b>BP Change</b>	
Yield on earning assets	8.16	7.82	0.34		8.11	7.00	1.11	
Cost of funding earning assets	2.88	2.14	0.74		2.44	1.65	0.79	
Net interest margin	5.28	5.68	-0.40		5.67	5.35	0.32	
Noninterest income to avg. earning	1.16	1.17	-0.01		1.19	1.27	-0.08	
Noninterest expense to avg. earning	3.90	3.93	-0.03		3.99	3.96	0.03	
Net charge-offs to loans & leases	0.10	0.08	0.02		0.07	0.08	-0.01	
Credit-loss provision to net charge-	297.53	415.82	-118.29		497.66	484.01	13.65	
Net operating income to average	1.38	1.55	-0.17		1.52	1.39	0.13	
Retained earnings to average equity	11.33	13.39	-2.06		12.40	11.69	0.71	
Pre tax return on assets	2.11	2.36	-0.25		2.33	2.15	0.18	
Return on assets	1.38	1.52	-0.14		1.50	1.39	0.11	
Return on equity	11.89	13.99	-2.10		14.17	13.97	0.20	
<b>CONDITION RATIOS (%)</b>								
Net loans and leases to assets	75.13	74.25	0.88		74.25	72.63	1.62	
Loss allowance to:								
Loans and leases	1.32	1.35	-0.03		1.38	1.37	0.01	
Noncurrent loans and leases	673.51	439.50	234.01		488.10	593.62	-105.52	
Noncurrent loans & leases to								
total loans & leases	0.20	0.31	-0.11		0.28	0.23	0.05	
Nonperforming assets to assets	0.18	0.26	-0.08		0.24	0.19	0.05	
Core deposits to total liabilities	75.81	76.93	-1.12		73.13	76.62	-3.49	
Equity capital to total assets	11.74	10.84	0.90		10.47	10.12	0.35	
Core capital (leverage) ratio	11.43	10.42	1.01		9.83	9.41	0.42	
Total capital to risk-weighted assets	14.23	13.13	1.10		12.67	12.49	0.18	
Gross 1-4 family mortgages to gross	9.99	9.61	0.38		9.90	9.25	0.65	
Gross real estate assets to gross assets	55.43	53.37	2.06		54.80	52.45	2.35	

***Department Issued Two New Bank Charters During Fiscal Year 2007***

United Bank of Idaho commenced banking operations at 125 South Main Street in Driggs, Idaho on September 27, 2006, after the Department granted final approval for a state charter on July 14, 2006. United Bank of Idaho is the first bank chartered in Driggs in over 100 years and is a wholly owned subsidiary of United Bancorporation of Wyoming, Inc., Jackson, Wyoming.

Community 1<sup>st</sup> Bank opened for business at 707 North Post Street in Post Falls, Idaho on June 7, 2007. Organizers of Community 1st Bank filed an Interagency Charter and Federal Deposit Insurance Application with the Department on December 19, 2006, and received final approval for a state charter on May 21, 2007. Community 1<sup>st</sup> Bank is the first new commercial bank to be chartered in Post Falls since August 1906.

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**Interagency Charter and Federal Deposit Insurance Applications**

<b>Institution Name</b>	<b>Location</b>	<b>City</b>	<b>State</b>	<b>Application</b>	<b>Approval</b>	<b>Opening</b>
United Bank of Idaho	185 South Main Street	Driggs	ID	02/07/2006	07/14/2006	09/27/2006
Community 1 <sup>st</sup> Bank	707 North Post Street	Post Falls	ID	12/19/2006	05/21/2007	06/07/2007

***Mergers and Acquisitions***

The Department approved Ireland Bank’s acquisition of two banking offices located in Carey, Idaho and Mackay, Idaho from Summit National Bank based in Hulett, Wyoming. These offices were the only banking offices operated by Summit in Idaho and were authorized as loan and deposit production offices under federal law with limited authority to transact banking services. Ireland Bank operates these offices as full-service branches offering all banking services provided by the bank. The acquisition not only preserved but also expanded vital banking services to these rural Idaho communities. The office in Carey, located at 20449 Main Street, is the only bank or financial institution in that growing community, and the office in Mackay, located at 208 South Main Street, is only the second banking office in that community and is the only banking office operated by a state-chartered community bank.

Cascade Bancorp of Bend, Oregon, the holding company that acquired the parent company of Farmers & Merchants State Bank in 2006 and operated the bank as a division of Bank of the Cascades, changed the name of the 12 branch offices in Idaho to Bank of the Cascades in keeping with the name of their banks operating in Oregon.

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**Merger Applications**

<b>Target Institution</b>	<b>Surviving Institution</b>	<b>Approved</b>	<b>Effective</b>
Lewiston State Bank of Idaho, Preston, Idaho	Lewiston State Bank, Lewiston, UT	12/08/2006	01/05/2007
<b>Out of State Mergers</b>			
FirstBank Northwest, Clarkston, WA	Sterling Savings Bank, Spokane, WA		11/30/2006

### ***Branch Application Activity***

Branch expansion continued during the fiscal year and provided additional choices for Idaho consumers. The following branches were approved and/or opened in fiscal year 2007:

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<b>Branch Applications</b>					
<b>Institution</b>	<b>New Branch Location</b>	<b>City</b>	<b>State</b>	<b>Approved</b>	<b>Opened</b>
<b>Idaho State-Chartered Institutions</b>					
The Bank of Commerce	463 Rigby Lake Drive	Rigby	ID	07/11/2006	04/02/2007
Mountain West Bank	12120 East Mission	Spokane	WA	10/11/2006	11/20/2006
Syringa Bank	1702 21st Street, Suite 113	Lewiston	ID	12/08/2006	12/11/2006
Idaho Independent Bank	560 East State Street	Eagle	ID	01/22/2007	05/01/2007
D. L. Evans Bank	1536 Caldwell Boulevard	Nampa	ID	06/15/2007	09/04/2007
<b>Other State-Chartered Institutions</b>					
Bank of the West	600 Sun Valley Road	Ketchum	ID		07/10/2006
Bank of the Cascades	801 South Vista Avenue	Boise	ID		08/14/2006
Banner Bank	950 West Bannock Street	Boise	ID		09/18/2006
Banner Bank	746 North College Road	Twin Falls	ID		10/20/2006
Sterling Savings Bank	1595 South Eagle Road	Meridian	ID		11/06/2006
Banner Bank	1550 South Kimball Way	Boise	ID		01/19/2007
Washington Trust Bank	515 Pine Street, Suite D	Sandpoint	ID		03/26/2007
Bank of the West	827 West Idaho Street	Boise	ID		04/02/2007

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## TRUST DEPARTMENTS AND TRUST COMPANIES

The Banking Section is responsible for enforcing the *Idaho Trust Institutions Act* and currently supervises the trust departments of three state-chartered banks. The activities of these trust departments are centered in personal trusts, agency accounts, safekeeping, and non-complex employee benefit accounts. The employee benefit accounts are primarily self-directed IRAs and 401(k) accounts. The one bank trust department that accepts corporate trusts had three issues totaling \$3.1 million at year-end 2006.

Total trust assets under supervision increased by 7.3 percent during the year to \$163.9 million as of December 31, 2006, consisting of \$79.9 million in managed assets, \$83.9 million in non-managed assets, and \$32.3 million in custody and safekeeping accounts.

The Department has approved three out-of-state trust companies to operate in Idaho. Morgan Chase Trust Company (Sioux Falls, South Dakota) and U.S. Trust Company of Delaware (Wilmington, Delaware) have no offices in Idaho. State Bank & Trust (Fargo, North Dakota) has a representative trust office in Boise, which is limited to sales activities. Supervision of these out-of-state trust companies is handled in accordance with the terms of the Nationwide Cooperative Agreement for Supervision and Examination of Multi-State Trust Institutions, with the home state regulator as the single point of contact.

	12/31/2006	12/31/2005	\$ Change	% Change
Fiduciary powers granted	5	5	0	0.0%
Fiduciary powers exercised	3	3	0	0.0%
Fiduciary or related activity	3	3	0	0.0%
Number of fiduciary and related asset accounts	653	770	-117	-15.2%
Number of managed accounts	365	408	-43	-10.5%
Number of non-managed accounts	288	362	-74	-20.4%
Total fiduciary and related assets	163,869	223,701	-59,832	-26.7%
Managed assets (\$)	79,963	95,751	-15,788	-16.5%
Non-managed assets (\$)	83,906	127,950	-44,044	-34.4%

## BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATIONS

On July 1, 1989, the *Business and Industrial Development Corporation Act* became effective and authorized an alternative form of financial institution. The Act authorizes the formation of business and industrial development corporations (BIDCOs) to provide financing and management assistance to new or expanding companies.

Working closely with the Small Business Administration, other federal financial assistance programs, local economic development organizations, and traditional commercial lenders, BIDCOs are licensed to increase the level and quality of financial services available to the small business community in Idaho. This financial assistance has led to the creation or retention of an estimated 963 permanent jobs in the state. The Idaho Company, located in Idaho Falls, is the only licensed BIDCO currently operating in Idaho.

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<b>Business and Industrial Development Corporations</b>		
<b>Activity for Calendar Year 2006</b>	<b>Number</b>	<b>Dollar Amount</b>
Number and dollar amount of financing assistance provided to business firms in 2006:	8	\$266,752
Number and dollar amount of financing assistance provided to minority-owned business firms in 2006:	1	\$10,100
Estimated number of jobs created or retained through financing assistance in 2006:	83	NA
<b>Activity Since Inception</b>	<b>Number</b>	<b>Dollar Amount</b>
Number and dollar amount of financing assistance provided to business firms:	271	\$24,739,217
Number and dollar amount of financing assistance provided to minority-owned and woman-owned business firms:	26	\$2,009,416
Estimated number of jobs created:	595	NA
Estimated number of jobs retained:	368	NA

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## **CREDIT UNION SECTION**

The Credit Union Section is charged with the responsibility of supervising all state-chartered credit unions and ensuring compliance with the *Idaho Credit Union Act* and numerous federal regulations. As of June 30, 2007, there were 40 Credit Unions under the Credit Union Section's direct supervision. The Section has additional responsibilities, as the host-state supervisor, for five state-chartered credit unions operating in Idaho and chartered by other states. Washington-chartered Horizon Credit Union has branches in Coeur d'Alene, Post Falls, Ponderay, and Sandpoint; Numerica Credit Union has two branches in Coeur d'Alene, and Hayden; Global Credit Union has branches in Post Falls, Moscow, Coeur d'Alene, and Kellogg; and Spokane Teachers Credit Union opened a branch in Post Falls in January 2007. California-chartered Silverado Credit Union operates one branch in Nampa.

The Department enjoys an excellent working relationship with other state and federal credit union regulators and a private insurer. The Credit Union Section is an active participant in the National Association of State Credit Union Supervisors (NASCUS). NASCUS actively coordinates with all state credit union regulatory agencies and the National Credit Union Administration (NCUA) on a variety of credit union regulatory issues.

### ***Branching Activity***

During fiscal year 2007, four credit unions received approval for new branches. Idaho Central Credit Union received approval and opened a branch at Mountain View High School in Meridian; Pine Tree Community Credit Union received approval and opened a branch in Riggins; Potelco United Credit Union was approved for a branch in Pocatello; and East Idaho Credit Union was approved for a branch in Ammon.

### ***Charter Conversions***

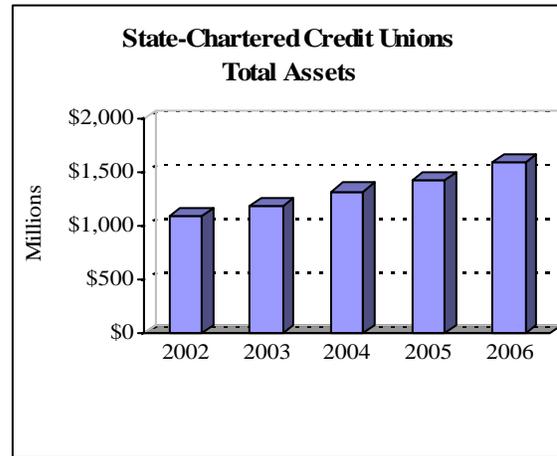
Boise Telco Federal Credit Union was approved by the Department to become a state-chartered credit union in March 2007. The credit union became Boise Telco Credit Union and later changed its name to the current Idaho Advantage Credit Union. The last conversion of a federally chartered credit union to a state charter occurred in December of 2000.

### *Performance and Condition of Idaho Credit Unions*

The credit union industry as a whole remains healthy, as are the state-chartered credit unions in Idaho. The information used to compile the dollar figures and ratios presented in the following charts and narrative comments is derived from the consolidated Call Reports filed by Idaho's state-chartered credit unions for the period ending December 31, 2006.

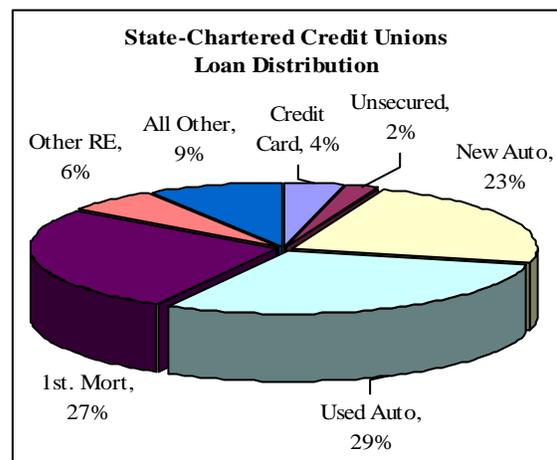
#### *Asset Growth*

Idaho state-chartered credit unions experienced faster growth in 2006 than occurred in 2005. Total Assets grew by \$154.4 million in 2006, a rate of 10.8 percent, compared to \$108.2 million and 8.2 percent in 2005.



#### *Loan Trends*

Loan growth slowed in 2006 to 10.5 percent compared to 12.5 percent in 2005. Total loans for state-chartered credit unions are now \$1.175 billion, an increase of nearly \$111.3 million. Loan growth was primarily in the Other Real Estate Loans category, which grew 24.5 percent for a new total of \$69.6 million. This category includes Home Equity Lines of Credit (HELOC) type loans and second mortgages. First Mortgage

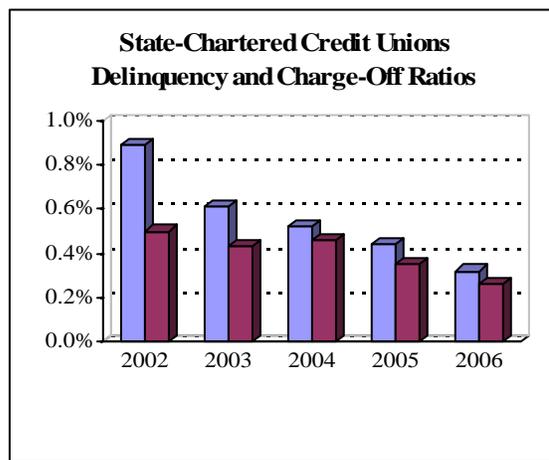


Real Estate Loans was the second fastest growing segment at 13.4 percent, for a total of \$319.5 million. During the same period, share growth occurred at a faster rate, 12.6 percent, lowering the Loan-to-Share ratio to 82.86 percent from 84.4 percent in 2005.

#### *Delinquency Trends*

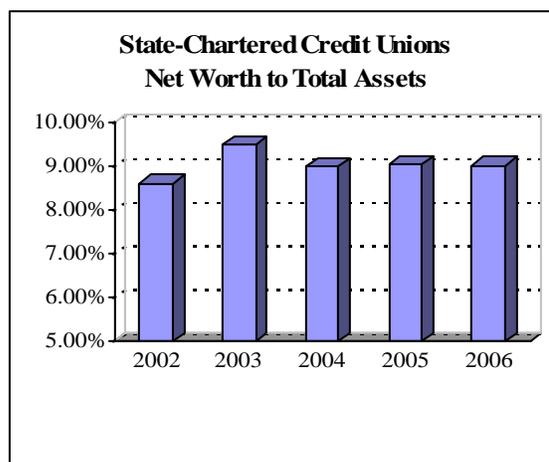
Loan delinquency decreased from 0.44 percent of total loans at year-end 2005 to 0.32 percent of total loans at year-end 2006. The dollar amount of delinquent loans also decreased, from \$4.7 million in 2005 to \$3.7 million in 2006. The total dollar amount of loans charged off also decreased in 2006. The amount of net charge-offs in 2005 totaled \$3.5 million compared to

\$2.9 million in 2006. The ratio of loans charged off to total loans decreased from 0.35 percent in 2005 to 0.26 percent in 2006. These improvements are all an indication that state-chartered credit unions have implemented good collection practices and strengthened loan underwriting.



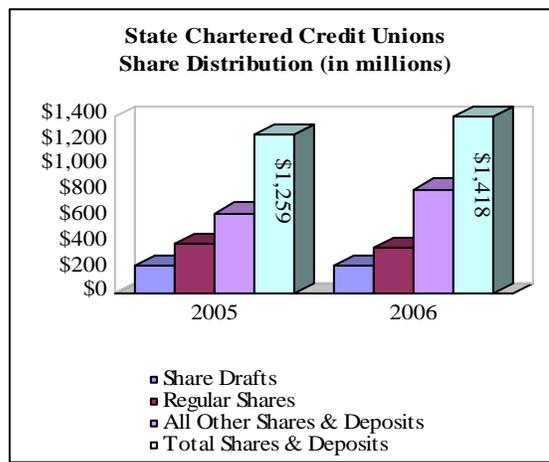
**Net Worth**

Net worth decreased to 9.02 percent from 9.04 percent in 2005. Net worth total dollars increased to \$143.1 million, an increase of \$13.5 million from 2005. The Net Worth ratio decreased due to the rate of total asset growth outpacing that of net worth.



**Operating Results**

Net income for 2006 was \$13.5 million, an increase of \$1.1 million from 2005. Interest income remains the largest source of income for state-chartered credit unions. The total interest income for 2006 was \$81.5 million compared to \$68.7 million in 2005. Interest on loans accounted for \$66.6 million of the \$81.5 million total. The largest interest expense remains interest paid on deposits at \$25.3 million or 73.6 percent of total interest expense. The largest noninterest income remains fee income, which increased to \$14.2 million in 2006, up from \$12.1 million in 2005. The largest noninterest expense is employee compensation and benefits at \$29.7 million, an increase of nearly \$3.0 million from 2005. The Return on Average Assets (ROAA) for 2006 was 0.89 percent, a decrease of 0.01 percent from 2005. The decrease is a result of total assets increasing more than net income.



### ***Share Trends***

Total shares increased 12.6 percent or \$158.9 million in 2006. In 2005, total shares grew only 6.9 percent or \$81.4 million. Regular shares account for 25.6 percent of total shares, while share drafts account for 16.2 percent of total shares.

### ***Liquidity Trends***

Cash and short-term investments increased 46.4 percent to \$130.2 million in 2006. The increase is due in part to an increase in saving by members and a decrease in investments by the credit unions. Investments decreased \$15 million in 2006 or 7.1 percent.

### ***Summary***

Overall, state-chartered credit unions in Idaho remain financially strong and operate within their charters and the *Idaho Credit Union Act*. Credit union managers must continue to monitor their credit portfolios and economic trends to ensure that the credit crisis that has swept across the country has minimal impact on their institutions. State-chartered credit unions continue to encourage thrift among their members and ensure that their members have access to credit and basic financial services.

## **CONSUMER FINANCE BUREAU**

*Idaho Credit Code*  
*Idaho Collection Agency Act*  
*Idaho Residential Mortgage Practices Act*  
*Idaho Mortgage Company Act*  
*Idaho Escrow Act*

The Consumer Finance Bureau is the regulatory and licensing authority for regulated lenders under the *Idaho Credit Code*. Regulated lenders include consumer finance companies, financial institutions, payday lenders, title lenders, and creditors who take assignments and undertake collection of payments from debtors arising from regulated consumer loans. Provisions of the *Idaho Credit Code* also apply to retail sellers of goods and services who extend credit to their customers.

The Bureau is committed to providing reasonable regulation of mortgage brokers, mortgage lenders, mortgage loan originators, and mortgage servicing providers operating in Idaho under the *Idaho Residential Mortgage Practices Act* and the *Idaho Mortgage Company Act*.

The Bureau is responsible for the licensing and enforcement provisions of the *Idaho Collection Agency Act*. Collection agencies located in Idaho, and those from other states that collect from Idaho residents, are required to have a permit under and comply with the provisions of the Act. Entities that engage in credit counseling, debt counseling, and credit repair within the state of Idaho are also required to obtain a permit and comply with the provisions of the Act.

The Bureau is responsible for the licensing and enforcement provisions of the *Idaho Escrow Act*, an Act that provides a regulatory framework for independent escrow companies operating in Idaho. The coverage of the Act extends to exchange accommodators who facilitate exchange transactions allowed pursuant to 26 USC §1031.

Compliance with the above laws is accomplished by on-site examinations of licensees, and by investigations of complaints filed with the Bureau. The goal of the Bureau is to assure the availability and quality of consumer finance services, and ethical debt collection practices. The Bureau currently has a 16 member staff.

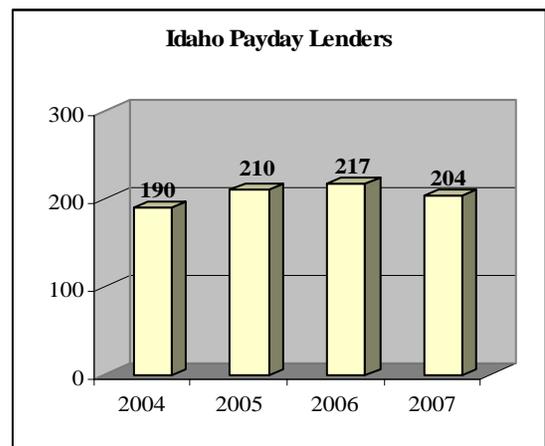
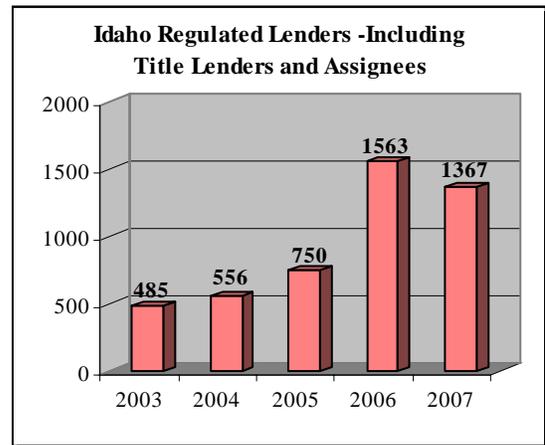
## IDAHO CREDIT CODE

The *Idaho Credit Code* (ICC) is a state law that regulates certain terms and conditions of consumer credit in Idaho. A consumer credit transaction is a credit sale or loan in which the credit is extended by a person who is regularly engaged in the credit business, to a borrower who will use it for a personal, family or household purpose, and in which a finance charge is made or the debt is payable in installments.

The ICC does not apply to first mortgages or home refinance loans. Most other consumer transactions such as automobile loans, second mortgages, and the use of credit cards are subject to the ICC. The ICC also applies to single advance payday loan transactions and short-term equity loans on titled vehicles. The ICC includes specific lending procedures and consumer protection provisions for the payday and title lending industries in Idaho, as well as separate licensing requirements for payday lenders. The ICC also includes other generally applicable consumer protection provisions, such as a consumer's right to be informed about the costs of a loan before it is made, and the right to cancel a payday or title loan by the next business day after it is extended, and the right to cancel certain home solicitation sales and real estate transactions.

***Licensing/Lending Activity*** – Under the ICC, creditors engaged in the business of making regulated consumer loans, or taking assignment of and undertaking direct collection of payments from debtors arising from regulated consumer loans, must obtain a regulated lender license. Regulated lenders must file for license renewal and submit composite annual reports on or before May 31 of each year.

During fiscal year 2007 lending activity by state licensed regulated lenders ranged from a sole-proprietor title lender to a national finance

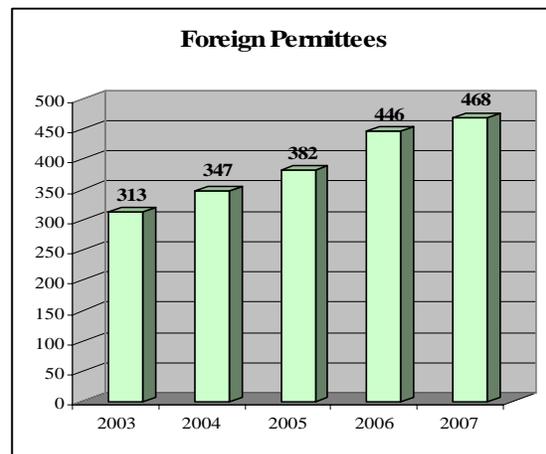
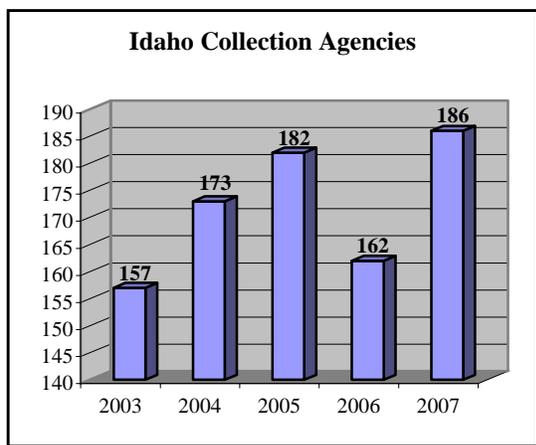


company with nearly a billion dollars in outstanding Idaho loans. The composition of regulated lenders is split between finance companies, including second mortgage lenders, consumer credit assignees, and payday/title lenders. As of June 30, 2007, Idaho had 1,367 licensed regulated lender offices, which includes title lenders, assignees, and regulated lenders also holding a dual license as a mortgage lender, and 204 licensed payday lender offices.

**Compliance/Enforcement** – In addition to answering consumer inquiries and complaints, the Bureau staff conducts routine and “for-cause” on-site examinations of regulated lenders. The Bureau is committed to examining offices of payday and title lenders situated in Idaho regularly to ensure that their business practices comply with Idaho Credit Code standards. During the past fiscal year, the staff conducted 96 examinations of payday offices, 48 title loan offices and 23 examinations of other regulated lender offices. Staff members also conducted 2 visitations of either licensed offices or locations seeking licensure. The Bureau also received 73 complaints from Idaho consumers regarding entities operating as regulated lenders and the Bureau issued one administrative order against a payday lender operating within Idaho.

### IDAHO COLLECTION AGENCY ACT

The Consumer Finance Bureau oversees collection agencies, both those located in Idaho and agencies from other states that collect from Idaho residents, under the *Idaho Collection Agency Act* (Act). Consumers have an obligation to pay their debts. However, collection agencies must deal openly, fairly, honestly and without deception when collecting debts. This includes complying with the Federal Fair Debt Collection Practices Act.



***Licensing*** – Under the Act, the following activities cannot be conducted in Idaho without obtaining a collection agency permit:

- Operating as a collection agency, debt counselor, or credit counselor;
- Engaging, either directly or indirectly, in the business of collecting or receiving payment for another of any account, bill, claim, or other indebtedness;
- Soliciting or advertising for the right to collect or receive payment for another of any account, bill, claim, or other indebtedness;
- Selling or distributing any system of collection letters in which the name of any person other than the creditor to whom the debt is owed appears;
- Engaging in any activity which indicates that a third party may be involved in effecting collections;
- Engaging in the business of credit or debt counseling, or credit repair; or
- Engaging in, or offering to engage in, the business of collecting any form of indebtedness for that person's own account if the indebtedness was acquired from another person and if the indebtedness was either delinquent or in default at the time it was acquired.

Collection agencies licensed in other states may obtain a “foreign permittee” permit if they meet certain conditions under the Act. All collection agencies must renew their permits and pay an annual renewal fee prior to March 15 of each year.

As of June 30, 2007, Idaho had 186 Idaho collection agencies, and 468 foreign permittees. These agencies had a total of 57,076 solicitors/collectors registered with the Department.

***Compliance/Enforcement*** – In addition to answering consumer inquiries and complaints, the Bureau staff conducted 44 routine on-site examinations of Idaho collection agency offices during fiscal year 2007, as well as five visitations of either licensed offices or locations seeking licensure. The Bureau received 205 complaints against collection agencies and 13 complaints against credit/debt counselors operating in Idaho and issued various letters of caution to individuals and companies engaged in unlicensed debt collection, credit counseling, or credit repair informing them that their activities were in violation of Idaho law. One Cease and Desist Order was entered against a company that operated as a collection agency in Idaho

without the required approval and permit from the Department. Ten companies entered into administrative settlement agreements as a result of violations of the Act and the Department entered into a stipulated judgment with one collection agency that failed to remit client funds as required by the Act and had operated in Idaho without prior approval or permit.

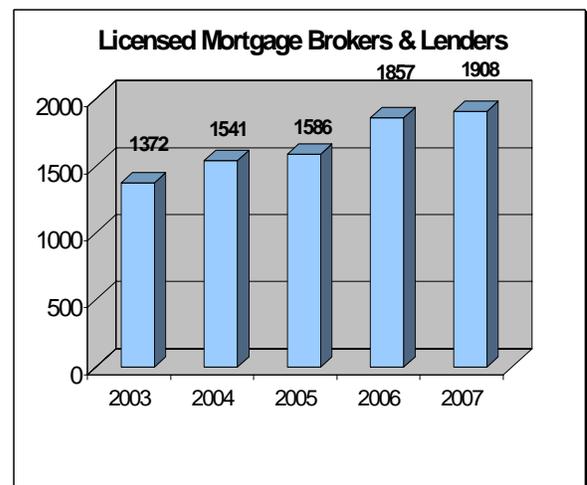
### **IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT AND IDAHO MORTGAGE COMPANY ACT**

Under the *Idaho Residential Mortgage Practices Act* (Act), all non exempt office locations from which mortgage brokering or mortgage lending activities are conducted are required to be licensed with the Department. The provisions of the Act also extend to individuals who originate residential mortgage loans for certain mortgage broker and lender licensees. The purpose of the Act is to ensure that companies and individuals offering mortgage services meet certain minimum standards and that consumers are protected from unfair practices.

Mortgage brokers are companies that assist borrowers in obtaining a mortgage loan from a bank or other lender. Mortgage lenders fund mortgage loans and may also perform mortgage brokering activities. Loan originators assist in the preparation of residential mortgage loan applications for the purpose of obtaining a loan through a mortgage broker or lender. The Act applies to those making first mortgage loans as well as to those making subordinated lien loans secured by residential real property.

In addition, the Department has authority under the *Idaho Mortgage Company Act* to ensure that mortgage companies are properly handling borrower reserves, impound and escrow accounts, as well as properly applying borrower payments.

**Licensing** – The Act requires that companies obtain a license for each office from which they conduct mortgage business. Licensees are not required to have a physical office location in Idaho. In fact, the Department has license holders nationwide. The Department issued 652 mortgage



broker/lender licenses during fiscal year 2007. As of June 30, 2007, the Department had 1,908 active mortgage broker/lender licenses in effect. Overall, licensing numbers have increased 55% during the past five-year period. Effective January 1, 2006, individual mortgage loan originators operating in Idaho were required to obtain a license under the Act. The result of this requirement was the steady increase in licensure of loan originators from that date to the end of fiscal year 2007, at which time the total number of licensed mortgage loan originators was 4,716.

***Compliance*** – The Bureau conducts routine and “for-cause” on-site examinations of mortgage brokers, lenders, and originators to verify that business is being conducted in accordance with the Act. The Bureau conducted 49 mortgage broker/lender examinations in fiscal year 2007. The Bureau also handles customer complaints and inquiries. In fiscal year 2007, the Department received and processed 139 complaints against mortgage brokers and lenders, and 12 complaints against mortgage loan originators.

***Mortgage Loan Delinquencies*** – In fiscal 2007, residential mortgage loan default rates across the nation far exceeded past experience. While the situation is indeed bleak in many areas, Idaho has not been as dramatically affected as other states. In fiscal year 2007, 2,311 Idaho properties entered some stage of foreclosure. However, only 120 (5.2 percent of total properties entering some stage of foreclosure) were actually repossessed by the lender. The percentage of residential mortgage loans nationwide that were seriously delinquent at fiscal year end was 2.47 percent. However, Idaho ranked an impressive 257 percent better than the national average at 0.96 percent. At fiscal year end, only three states ranked more favorably than Idaho for percentages of mortgage loans considered seriously delinquent.

***Enforcement*** – The Department initiated 55 administrative actions against licensed mortgage brokers/lenders and ordered four mortgage brokers/lenders to cease and desist from violations of the Act. Additionally, as part of its oversight of individuals engaged in mortgage loan origination activity, the Department of Finance ordered two mortgage loan originators to cease and desist from violations of the Act and initiated seven administrative actions against mortgage loan originators. These enforcement actions addressed a variety of mortgage practices representing violations of the Act, as well as license application and surety bond deficiencies. Details of these actions are provided in Exhibit VI.

## **IDAHO ESCROW ACT**

The *Idaho Escrow Act*, assigns regulatory oversight responsibilities to the Idaho Department of Finance over independent Idaho escrow agencies. Beginning in fiscal 2006, Idaho escrow agencies, as defined in the Idaho Escrow Act, were required to obtain a license prior to engaging in escrow activities in Idaho. This includes exchange accommodators who facilitate “1031” exchanges, pursuant to 26 USC §1031. As of June 30, 2007, the Department had issued 17 licenses to entities engaged in escrow activities in the state of Idaho. Additionally, the Bureau received 3 complaints against escrow companies and issued 2 orders to companies to cease and desist from unlicensed escrow activities. Details of these actions are provided in Exhibit VI.

### **REGULATORY AND EDUCATIONAL INITIATIVES**

***Regulatory Initiatives*** – To promote consistent standards in the mortgage marketplace by clarifying how mortgage brokers/lenders and loan originator licensees can offer nontraditional mortgage products, the Department adopted the Guidance on Nontraditional Mortgage Product Risks as Policy Statement #2006-2. The Guidance, originally adopted jointly by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, provides for regulatory consistency in applying standards for the clear disclosure of certain product risk to consumers, in underwriting nontraditional mortgage products, and in mitigating risk both to consumers and to non-depository institutions through the application of policies and control procedures related directly to nontraditional mortgage products.

On June 29, 2007, the Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System (Board), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), and the National Credit Union Administration (NCUA) (collectively, the Agencies) publicly released the “Statement on Subprime Mortgage Lending” (Subprime Statement) to address emerging risks associated with certain subprime mortgage products and lending practices. Recognizing that the Subprime Statement does not apply to subprime originations of independent mortgage lenders and mortgage brokers, on August 8, 2007, the Department adopted a parallel Subprime Statement (Parallel Subprime Statement -- Policy Statement 2007-5) developed by the Conference of State Bank Supervisors (CSBS), the

American Association of Residential Mortgage Regulators (AARMR), and the National Association of Consumer Credit Administrators (NACCA). The Parallel Subprime Statement essentially mirrors the Subprime Statement adopted by the Agencies and promotes sound underwriting and consumer protection principles that institutions and all residential mortgage providers should consider when making residential mortgage loans.

Recognizing that it is in the public interest to facilitate mutually agreed-upon settlements of collection lawsuits, the Department adopted Policy State #2007-1, which streamlines the requirements for obtaining approval from the Department in instances where a collection agency and a debtor wish to settle a lawsuit before trial and include costs, in addition to the amount of the claimed debt, in the settlement.

In an effort to provide direction to businesses whose activities fall within the requirements of the *Idaho Escrow Act*, the Department adopted certain interpretations of the *Idaho Escrow Act* in Policy Statement #2007-4. Policy Statement #2007-4 interprets the *Idaho Escrow Act* to apply to the business activities of § 1031 Qualified Intermediaries. It also provides an interpretation of the provisions of the *Idaho Escrow Act* as to transactions that are initiated outside of the State of Idaho by non-resident clients who are transferring property not located in Idaho. Additionally, the policy statement allows for alternate bonding requirements for all escrow companies and interprets the requirements for the escrow accounts to be maintained at FDIC insured financial institutions authorized to conduct business in Idaho.

To promote uniformity, reduce mortgage fraud, and eliminate a patchwork of duplicative state regulatory requirements in the mortgage industry, the Department has proceeded with its conversion to a nationwide mortgage licensing system. The nationwide mortgage licensing system will be operational on January 2, 2008 and Idaho will be one of seven initial states joining the system. As of the date of publication of this Annual Report, 42 states have committed to join the system over the next two to three years. Eventually, it is expected that all 50 states will be participants in the nationwide mortgage licensing system, which is expected to greatly enhance overall supervision of the mortgage industry.

## **SECURITIES BUREAU**

*Uniform Securities Act*  
*Idaho Commodity Code*  
*Control Share Acquisition Act*  
*Business Combination Act*

*Idaho Money Transmitters Act*  
*Endowment Care Cemetery Act*  
*Continuing Care Disclosure Act*

The Securities Bureau administers and enforces several consumer and business protection statutes. Through the authority of the *Uniform Securities Act* and the *Idaho Commodity Code*, the Bureau regulates the sale of investment securities and those individuals and entities that offer investment opportunities to the public. The Bureau's objectives in administering and enforcing these statutes include promoting the integrity and vitality of state and federal financial markets, protecting the investing public from fraudulent investment schemes, and assisting legitimate businesses in their efforts to raise capital in Idaho.

In addition, the Bureau has limited duties under Idaho's *Control Share Acquisition Act*, *Business Combination Act*, and *Continuing-Care Disclosure Act*. Also, the Bureau ensures that endowed care cemeteries properly handle the funds and trust placed with them through administration of the *Endowment Care Cemetery Act*.

Finally, the Securities Bureau is responsible for the licensing and enforcement provisions of the *Idaho Money Transmitters Act*. A money transmitter includes any business engaged in receiving money for transmission by any and all means and any business that issues payment instruments to purchasers (e.g., money orders).

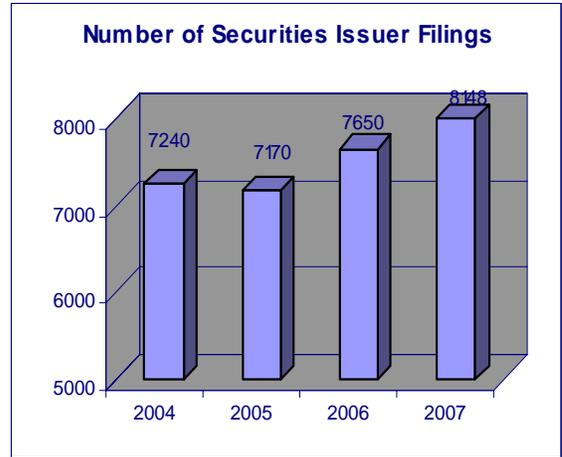
Where individuals or entities violate these statutes, appropriate remedies are sought using statutory and administrative enforcement authority. The Bureau also provides assistance in criminal prosecutions when necessary.

### **UNIFORM SECURITIES ACT**

The *Uniform Securities Act* (Act) seeks to preserve and promote legitimate securities markets by assisting companies in their attempts to raise capital and prevent investment fraud. While the Act is designed to protect investors from fraud, it does not protect investors from the possibility of investment loss resulting from securities price movements, market changes or

business failures. The Act requires that persons who solicit investments provide complete disclosure of all the important aspects of the investment being promoted. With this information, investors are empowered to make reasoned investment decisions.

**Securities Issuer Filings** –Generally, any public offering of newly issued securities must be registered with Securities Bureau before it is offered to public investors. The review is designed to determine whether the offering materials provide full, fair and accurate disclosure of all material information and whether the offering materials contain fraudulent terms or the offering is structured unfairly.



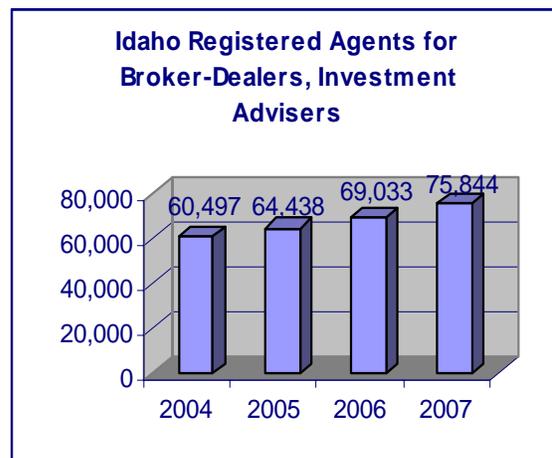
**Registration of Firms and Agents** – The Bureau registers and provides oversight for most broker-dealers, securities sales agents and investment advisory representatives doing business in or from Idaho. Additionally, the Bureau registers and is the sole regulator for investment advisory firms that are located in Idaho and manage assets of \$25 million or less. Every application for registration is examined either electronically or manually prior to approval.

As shown in the accompanying charts, the number of firms and agents coming under state supervision increased slightly from fiscal year 2006 levels.



The Bureau has oversight responsibility for over sixteen hundred broker-dealer firms and state registered investment adviser firms. This oversight also extends to nearly 76,000 individuals who currently hold Idaho registrations as broker-dealer agents, investment adviser representatives and issuer agents. This represents a 9.86% increase over the prior fiscal year.

**Compliance** – In an effort to assure that the securities industry is complying with the Idaho Uniform Securities Act, registration amendments are regularly reviewed to consider changes in the applicant’s business, ownership and new disciplinary information. Bureau staff also investigates investor complaints, reviews advertising and analyzes financial data on broker-dealer and investment adviser firms.



Finally, periodic on-site examinations of broker-dealer and investment adviser offices are conducted to verify compliance with the Act and to educate industry professionals. When a violation is discovered, the Department determines whether sanctions are appropriate. The Bureau may seek fines, deny, suspend or revoke licenses or initiate administrative or court action.

**Enforcement** – As an enforcement agency, one of the Bureau’s missions is to protect Idaho investors from fraudulent investment schemes. Bureau professionals investigate complaints of possible violations of the Act, negotiate administrative sanctions, assist in bringing civil lawsuits and assist in criminal prosecutions to enforce the law. The potential financial impact of securities cases under investigation during the fiscal year approached \$30 million. Details of the administrative and civil court actions filed or completed by the Department during fiscal 2007 are provided in Exhibit VI.

**Rescissions & Refunds** – As a result of the Bureau’s regulatory enforcement efforts, Idaho residents were offered, or awarded in judgments by the courts, nearly \$3.5 million in refunds on their securities investments. This total includes amounts refunded to Idaho investors due to the administrative enforcement actions described earlier as well as voluntary rescission offers made in accordance with the Act.

**Civil Penalties and Administrative Fines** –The Bureau assessed total fines and penalties of approximately \$600,000 for fiscal year 2007.

## IDAHO MONEY TRANSMITTERS

The Department of Finance is charged with the responsibility of administering and enforcing the *Idaho Money Transmitter Act*. A “money transmitter” is defined as any business engaged in receiving money for transmission or transmitting money within the United States or to locations outside the United States by any and all means including, but not limited to, payment instruments, wire transfers, and facsimile or electronic transfers. At fiscal year end, the Department had 38 licensees under this statute.

## ENDOWMENT CARE CEMETERIES

A “perpetual” or “endowed care cemetery” is a cemetery where lots are sold under the representation that the cemetery and lots will receive perpetual maintenance and oversight. This “endowed care” is provided free of further cost to the purchaser after payment of the original purchase price for a lot or burial space. All “endowed care” or “perpetual care” cemeteries in Idaho are required to be registered with the Securities Bureau. The purpose of the *Endowment Care Cemetery Act* is to ensure that sound business practices essential to the continued furnishing of endowed or perpetual care are followed.

An endowed or perpetual care cemetery is required to establish an irrevocable trust fund in the sum of at least \$50,000 for the care of the cemetery. The income from the trust fund may only be used for the general care, maintenance, and embellishment of the cemetery.

There are 12 endowed care cemeteries licensed in Idaho. Each of these cemeteries is required to submit a renewal fee and form every year, along with a financial statement for its trust account. The Securities Bureau conducts periodic audits of endowed care cemeteries to verify that the trust funds are being handled properly.

Name of Cemetery	Location
Cloverdale Memorial Park Assoc., Inc.	Boise
Coeur d'Alene Memorial Gardens, Inc.	Coeur d'Alene
Filer Cemetery Association, Inc.	Filer
Hillcrest Memorial Gardens, Inc.	Caldwell
Lakeview Cemetery Association	Sandpoint
Lewis-Clark Memorial Park, Inc.	Lewiston
Mountain View Memorial Park, Inc.	Boise
Pinecrest Memorial Park	Sandpoint
Rosedale Memorial Park, Inc.	Payette
Shoshone Memorial Gardens, Inc.	Pinehurst
Sunset Memorial Park	Twin Falls
Twin Falls Cemetery Association	Twin Falls

## **IDAHO COMMODITY CODE**

The *Idaho Commodity Code* is designed to reduce fraud by outlawing certain commodity investment contracts where the investor never receives delivery of the commodity. The statute provides an enforcement tool to prevent and prosecute illegal and fraudulent schemes involving commodity contracts and to maximize coordination with federal law and laws of other states. It has proven effective in Department lawsuits against fraudulent commodity investment schemes, including several enforcement cases during recent years.

## **CORPORATE TAKEOVER ACTS**

In 1988, the Legislature adopted the *Control Share Acquisition Act* and the *Business Combination Act* to govern certain corporate mergers in Idaho. The first law gives shareholders more authority to decide the terms of a takeover and the second allows a corporation to limit the effects of a takeover. There was no activity by the Department involving Idaho companies covered by these laws during the fiscal year.

## **CONTINUING-CARE DISCLOSURE ACT**

Idaho's *Continuing-Care Disclosure Act* was enacted in 1988 in response to problems caused when residents of an Idaho nursing home lost their money due to embezzlement and mismanagement. The statute regulates entities that offer to provide long-term care and lodging after an advance fee payment often called an "entrance fee". Anyone wanting to offer this type of program is required to register with the Securities Bureau, provide detailed disclosure to purchasers, and adhere to several other requirements. No facility has yet registered to offer this type of program in Idaho.

## **SUPPORTING SERVICES BUREAU**

This Bureau provides operational support to the Director and the chiefs of the other Bureaus in carrying out their program responsibilities. This support is provided through the development and maintenance of the accounting system and records for the Department; maintenance of personnel records; preparation and submission of the Department's budget; providing financial, management and statistical reports; coordination of the Department's business services; and, maintenance of the Department's information technology systems.

The Supporting Services Bureau completed several large projects this year including overseeing design and transition into a comprehensive records management system, completion of several large databases; including Mortgage Loan Originators, Mortgage Loan Originator Continuing Education, and the first phase of a Case Management database to aid in investigation and enforcement actions.

The following information regarding the Department is included in the following exhibits:

<b>Exhibit II</b>	Summary of Income and Expenses
<b>Exhibit VII</b>	Department of Finance Staff
<b>Exhibit VIII</b>	Americans with Disabilities Act Compliance Statement
<b>Exhibit IX</b>	Civil Rights Grievance Procedure



**DEPARTMENT OF FINANCE DIRECTORS/COMMISSIONERS  
SINCE DATE OF ITS CREATION BY ACT OF LEGISLATURE IN 1905**

<u>Director/Commissioner</u>	<u>Term of Office</u>
C. C. Loveland .....	March 6, 1905 to June 1, 1907
W. S. Chaney .....	June 1, 1907 to March 6, 1909
William G. Cruse .....	March 6, 1909 to June 2, 1911
V. W. Platt .....	June 2, 1911 to February 1, 1913
A. E. Reid .....	February 1, 1913 to February 6, 1915
G. R. Hitt .....	February 6, 1915 to January 25, 1919
Jay Givson .....	January 25, 1919 to September 10, 1920
J. G. Fralick .....	September 10, 1920 to February 7, 1923
E. W. Potter .....	February 7, 1923 to February 1, 1931
Ben Diefendorf .....	February 1, 1931 to January 13, 1937
George W. Wedgwood .....	January 13, 1937 to January 1, 1939
G. L. Jenkins .....	January 1, 1939 to January 6, 1941
George W. Wedgwood .....	January 6, 1941 to January 4, 1943
G. L. Jenkins .....	January 4, 1943 to January 2, 1945
J. B. Newport .....	January 4, 1945 to December 28, 1946
William J. Sewell .....	December 28, 1946 to January 6, 1947
E. F. Haworth .....	January 6, 1947 to August 15, 1952
Austin Schauweiler .....	August 15, 1952 to May 14, 1954
R. U. Spaulding .....	June 17, 1954 to April 14, 1961
J. L. McCarthy .....	June 1, 1961 to July 9, 1965
Tom D. McEldowney (Acting) .....	August 10, 1965 to January 31, 1967
John D. Silva .....	February 1, 1967 to January 4, 1971
Tom D. McEldowney (Acting) .....	January 4, 1971 to August 29, 1971
Tom D. McEldowney .....	August 30, 1971 to March 31, 1987
Belton J. Patty .....	April 1, 1987 to January 1, 1995
Gavin M. Gee (Acting) .....	January 2, 1995 to March 13, 1996
Gavin M. Gee .....	March 13, 1996 to Present



**SUMMARY OF INCOME AND EXPENSES**  
**July 1, 2006 through June 30, 2007**

**INCOME BY SOURCE**

Dedicated Account-----	\$10,665,106.78
<b>TOTAL INCOME COLLECTED</b> -----	<u><u>\$10,665,106.78</u></u>

**APPROPRIATION**

Dedicated Account-----	\$4,755,200.00
	<u><u>\$4,755,200.00</u></u>

**EXPENDITURES**

Personnel Costs-----	\$3,341,668.00
Operating Expenditures-----	\$1,280,778.00
Capital Outlay-----	\$131,942.00
<b>TOTAL EXPENDITURES</b> -----	<u><u>\$4,754,388.00</u></u>
<b>BALANCE OF FUND</b> -----	<u><u>\$812.00</u></u>

**EXPENDITURES BY MAJOR CLASSES**

Salaries & Wages-----	\$2,517,393.10
Personnel Benefits-----	\$824,274.48
Communication Services-----	\$73,315.11
Employee Development & Other Services-----	\$184,819.83
Professional Services-----	\$329,153.89
Repairs & Maintenance Service-----	\$19,779.90
Administrative Services-----	\$36,972.64
DP Services-----	\$69,200.51
Employee Travel-----	\$213,649.32
Materials & Supplies-----	\$103,269.61
Insurance-----	\$1,987.74
Rentals & Operating Leases-----	\$223,043.65
Miscellaneous Operating Expenditures-----	\$25,585.59
Capital Outlay-----	\$131,941.92
<b>TOTAL EXPENDITURES BY MAJOR CLASSES</b> -----	<u><u>\$4,754,387.29</u></u>

<b>PERSONNEL STATUS</b>	<b>POSITIONS AUTHORIZED</b>	<b>POSITIONS APPROPRIATED</b>	<b>POSITIONS FILLED</b>
Full-Time Employees	51	51	51
Part-Time Employees			
<b>TOTALS</b>	51	51	51

**FUND SOURCE**

Security Investor Fund-----	\$50,000.00
<b>TOTAL COLLECTED</b> -----	<u>\$50,000.00</u>

**EXPENDITURES**

Personnel Costs-----	\$0.00
Operating Expenditures-----	\$49,997.00
Capital Outlay-----	\$0.00
<b>TOTAL EXPENDITURES</b> -----	<u>\$49,997.00</u>
<b>BALANCE OF FUND</b> -----	<u>\$3.00</u>





**STATE OF IDAHO**  
**STATE-CHARTERED BANKS AND SAVINGS BANKS\***  
**COMPARATIVE STATEMENT**  
**Close of Business 12/31/06 and 12/31/05**  
**(000's Omitted)**

	<b>2006</b>	<b>2005</b>	<b>\$ Change</b>
<b>Cash and balances due from depository institutions</b>			
Noninterest-bearing balances and currency and coin	168,783	209,605	-40,822
Interest-bearing balances	27,073	20,678	6,395
<b>Securities:</b>			
Held-to-maturity securities	130,970	117,177	13,793
Available-for-sale securities	589,347	645,481	-56,134
<b>Federal funds sold and securities purchased under agreements to resell</b>			
Federal funds sold	99,606	63,099	36,507
Securities purchased under agreements to resell			
<b>Loans and lease financing receivables</b>			
Loans and leases held for sale	48,862	34,314	14,548
Loans and leases, net of unearned income	3,678,729	3,469,256	209,473
LESS: Allowance for loan and lease losses	51,280	48,166	3,114
Loans and leases, net of unearned income and allowance	3,627,449	3,421,090	206,359
<b>Trading assets</b>	2,128	1,417	711
<b>Premises and fixed assets (including capitalized leases)</b>	108,290	100,802	7,488
<b>Other real estate owned</b>	1,469	986	483
<b>Intangible assets:</b>			
Goodwill	44,374	44,111	263
Other intangible assets	2,463	3,020	-557
<b>Other assets</b>	100,539	95,742	4,797
<b>Total assets</b>	<u>4,951,353</u>	<u>4,757,522</u>	<u>193,831</u>
<b>Deposits:</b>			
In domestic offices:			
Noninterest-bearing	3,973,000	3,873,756	99,244
Interest-bearing	996,193	1,084,916	-88,723
Federal funds purchased and securities sold under agreements to repurchase	2,976,806	2,788,838	187,968
<b>Federal funds purchased and securities sold under agreements to repurchase</b>			
Federal funds purchased	14,107	1,921	12,186
Securities sold under agreements to repurchase	203,786	160,581	43,205
<b>Trading liabilities</b>			
<b>Other borrowed money</b>	194,880	197,416	-2,536
<b>Bank's liability on acceptances executed and outstanding</b>			
<b>Subordinated notes and debentures</b>			
<b>Other liabilities</b>	46,999	42,278	4,721
<b>Total liabilities</b>	<u>4,432,772</u>	<u>4,275,952</u>	<u>156,820</u>
<b>Minority interest in consolidated subsidiaries</b>			
<b>Perpetual preferred stock and related surplus</b>			
Common stock	60,950	46,615	14,335
Surplus (exclude all surplus related to preferred stock)	272,465	288,936	-16,471
Retained earnings	189,784	152,972	36,812
Accumulated other comprehensive income	546	-2,482	3,028
<b>Other equity capital components</b>	-5,164	-4,471	-693
<b>Total equity capital</b>	<u>518,581</u>	<u>481,570</u>	<u>37,011</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u>4,951,353</u>	<u>4,757,522</u>	<u>193,831</u>

**DECEMBER 31, 2006**  
**BANK OF IDAHO**  
**IDAHO FALLS, IDAHO**  
**Charter No. 240**  
**Charter Issued September 13, 1985**  
**Incorporated July 17, 1985**

**OFFICERS:**

Chief Executive Officer: William F. Rigby  
 President: Park Price  
 Chief Operating Officer: Jeffrey E. Jones  
 Chief Financial Officer: Jeff R. Manser

**DIRECTORS:**

Emma L. Atchley; Ralph M. Hartwell;  
 Kenlon P. Johnson; Harold L. Latin;  
 Park Price; John Rigby;  
 William F. Rigby; Fred T. Thompson, Jr.;  
 Terri Timberman; Ronald R. Warnecke

<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	8,647
Interest-bearing balances	40
<b>Securities:</b>	
Held-to-maturity securities	4,195
Available-for-sale securities	46,891
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	7,510
Loans and leases, net of unearned income	148,775
LESS: Allowance for loan and lease losses	2,125
Loans and leases, net of unearned income and allowance	146,650
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	6,703
<b>Other real estate owned</b>	159
<b>Intangible assets:</b>	
Goodwill	
Other intangible assets	
<b>Other assets</b>	2,945
<b>Total assets</b>	223,740
<b>Deposits:</b>	
In domestic offices:	
Noninterest-bearing	181,461
Interest-bearing	57,873
Federal funds purchased and securities sold under agreements to repurchase	123,589
Federal funds purchased	1,855
Securities sold under agreements to repurchase	20,188
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	86
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	2,602
<b>Total liabilities</b>	206,192
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	1,402
<b>Surplus (exclude all surplus related to preferred stock)</b>	9,026
<b>Retained earnings</b>	7,277
Accumulated other comprehensive income	- 157
<b>Other equity capital components</b>	
<b>Total equity capital</b>	17,548
<b>Total liabilities, minority interest, and equity capital</b>	223,740

**DECEMBER 31, 2006**  
**bankcda**  
**COEUR D'ALENE, IDAHO**  
**Charter No. 258**  
**Charter Issued May 3, 2001**  
**Incorporated October 16, 2000**

**OFFICERS:**

President & Chief Executive Officer: Max Faller  
Chief Financial Officer: Nora Boman Knight

**DIRECTORS:**

Charles Clock; Max Faller; Joseph Haley;  
Mark Kontos; C. Richard Nordstrom;  
Ben Rolphe; John Shovic; Wayne Sorensen;  
Bob Titsch; Craig Tedmon

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	1,449
Interest-bearing balances	1,899
<b>Securities:</b>	
Held-to-maturity securities	
Available-for-sale securities	7,375
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	4,340
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	
Loans and leases, net of unearned income	55,123
LESS: Allowance for loan and lease losses	754
Loans and leases, net of unearned income and allowance	54,369
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	489
<b>Other real estate owned</b>	
<b>Intangible assets:</b>	
Goodwill	
Other intangible assets	
<b>Other assets</b>	2,248
<b>Total assets</b>	72,169
<b>Deposits:</b>	
In domestic offices:	59,903
Noninterest-bearing	10,395
Interest-bearing	49,508
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	
Securities sold under agreements to repurchase	
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	4,833
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	522
<b>Total liabilities</b>	65,258
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	3,543
<b>Surplus (exclude all surplus related to preferred stock)</b>	2,577
<b>Retained earnings</b>	796
Accumulated other comprehensive income	- 5
<b>Other equity capital components</b>	
<b>Total equity capital</b>	6,911
<b>Total liabilities, minority interest, and equity capital</b>	72,169

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**DECEMBER 31, 2006**  
**CITIZENS COMMUNITY BANK**  
**POCATELLO, IDAHO**  
**Charter No. 254**  
**Charter Issued June 6, 1997**  
**Incorporated April 17, 1996**

**OFFICERS:**

President & Chief Executive Officer: Ralph G. Cottle  
Chief Financial Officer: Terrill R. Schwartz

**DIRECTORS:**

Gary N. Blanchard; Ralph G. Cottle; H. Brent Hill;  
Thomas J. Holmes; W. James Johnston; William A. Knick;  
James E. Lee; Diana B. Lyon; Kenneth A. Satterfield;  
Alan E. Stanek; James H. Strosahl

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	3,505
Interest-bearing balances	1,621
<b>Securities:</b>	
Held-to-maturity securities	
Available-for-sale securities	9,323
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	3,584
Loans and leases, net of unearned income	136,481
LESS: Allowance for loan and lease losses	2,285
Loans and leases, net of unearned income and allowance	134,196
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	5,924
<b>Other real estate owned</b>	
<b>Intangible assets:</b>	
Goodwill	9,553
Other intangible assets	678
<b>Other assets</b>	3,902
<b>Total assets</b>	172,286
<b>Deposits:</b>	
In domestic offices:	128,317
Noninterest-bearing	27,745
Interest-bearing	100,572
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	12,241
Securities sold under agreements to repurchase	
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	4,915
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	1,129
<b>Total liabilities</b>	146,602
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	2,193
<b>Surplus (exclude all surplus related to preferred stock)</b>	18,859
<b>Retained earnings</b>	4,649
Accumulated other comprehensive income	- 17
<b>Other equity capital components</b>	
<b>Total equity capital</b>	25,684
<b>Total liabilities, minority interest, and equity capital</b>	172,286

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**DECEMBER 31, 2006**  
**D. L. EVANS BANK**  
**BURLEY, IDAHO**  
**Charter No. 26**  
**Charter Issued August 29, 1904**  
**Incorporated August 23, 1904**

**OFFICERS:**

Chief Executive Officer: John V. Evans, Jr.  
President: John V. Evans, Sr.  
Chief Financial Officer: Brenda Sanford

**DIRECTORS:**

John V. Evans, Jr.; John V. Evans, Sr.; Don S. Evans, Sr.;  
Don S. Evans, Jr.; Larry L. Evans; M. DeLell Evans;  
Paula D. Evans; Martha Gilgen; Glen R. Kunau;  
Lex H. Kunau; James J. Lynch; Susan D. Evans Scarlett;  
David L. Evans

<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	30,190
Interest-bearing balances	564
<b>Securities:</b>	
Held-to-maturity securities	
Available-for-sale securities	74,900
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	1,750
Loans and leases, net of unearned income	521,474
LESS: Allowance for loan and lease losses	6,010
Loans and leases, net of unearned income and allowance	515,464
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	26,635
<b>Other real estate owned</b>	112
<b>Intangible assets:</b>	
Goodwill	
Other intangible assets	
<b>Other assets</b>	10,194
<b>Total assets</b>	659,809
<b>Deposits:</b>	
In domestic offices:	
Noninterest-bearing	564,930
Interest-bearing	117,083
Interest-bearing	447,847
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	
Securities sold under agreements to repurchase	19,042
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	19,800
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	4,020
<b>Total liabilities</b>	607,792
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	901
<b>Surplus (exclude all surplus related to preferred stock)</b>	36,225
<b>Retained earnings</b>	15,153
Accumulated other comprehensive income	- 262
<b>Other equity capital components</b>	
<b>Total equity capital</b>	52,017
<b>Total liabilities, minority interest, and equity capital</b>	659,809

**DECEMBER 31, 2006**  
**IDAHO BANKING COMPANY**  
**BOISE, IDAHO**  
**Charter No. 250**  
**Charter Issued October 3, 1996**  
**Incorporated May 14, 1996**

**OFFICERS:**

President & Chief Executive Officer: Michael K. Johnston  
Chief Financial Officer: Wendi Stalder

**DIRECTORS:**

V. Dale Babbitt; M. Dean Buffington;  
Leo S. Harf; B. Randy Harris; Michael K. Johnston;  
Thomas F. Kealey; Tom Morgan

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	5,516
Interest-bearing balances	101
<b>Securities:</b>	
Held-to-maturity securities	17,149
Available-for-sale securities	14,989
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	2,539
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	3,500
Loans and leases, net of unearned income	167,688
LESS: Allowance for loan and lease losses	2,419
Loans and leases, net of unearned income and allowance	165,269
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	3,758
<b>Other real estate owned</b>	
<b>Intangible assets:</b>	
Goodwill	
Other intangible assets	
<b>Other assets</b>	6,939
<b>Total assets</b>	219,760
<b>Deposits:</b>	
In domestic offices:	182,250
Noninterest-bearing	33,903
Interest-bearing	148,347
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	
Securities sold under agreements to repurchase	6,740
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	10,300
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	1,697
<b>Total liabilities</b>	200,987
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	4,299
<b>Surplus (exclude all surplus related to preferred stock)</b>	10,901
<b>Retained earnings</b>	3,672
Accumulated other comprehensive income	- 99
<b>Other equity capital components</b>	
<b>Total equity capital</b>	18,773
<b>Total liabilities, minority interest, and equity capital</b>	219,760

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**DECEMBER 31, 2006**  
**IDAHO FIRST BANK**  
**MCCALL, IDAHO**  
**Charter No. 259**  
**Charter Issued September 3, 2005**  
**Incorporated March 3, 2005**

**OFFICERS:**

President & Chief Executive Officer: Greg P. Lovell  
Chief Financial Officer: Don D. Madsen

**DIRECTORS:**

Natalie A. Barry; Donald F. Driscoll; James F. Fletcher;  
Daniel C. Krahn; Larry LaRocco; Greg P. Lovell;  
Terry L. Robinson; Brenda L. Totorica

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	776
Interest-bearing balances	1,000
<b>Securities:</b>	
Held-to-maturity securities	
Available-for-sale securities	4,851
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	2,120
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	379
Loans and leases, net of unearned income	20,141
LESS: Allowance for loan and lease losses	291
Loans and leases, net of unearned income and allowance	19,850
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	184
<b>Other real estate owned</b>	
<b>Intangible assets:</b>	
Goodwill	
Other intangible assets	
<b>Other assets</b>	1,378
<b>Total assets</b>	30,538
<b>Deposits:</b>	
In domestic offices:	27,184
Noninterest-bearing	4,128
Interest-bearing	23,056
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	
Securities sold under agreements to repurchase	
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	251
<b>Total liabilities</b>	27,435
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	2,719
<b>Surplus (exclude all surplus related to preferred stock)</b>	2,529
<b>Retained earnings</b>	-2,145
Accumulated other comprehensive income	
<b>Other equity capital components</b>	
<b>Total equity capital</b>	3,103
<b>Total liabilities, minority interest, and equity capital</b>	30,538

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**DECEMBER 31, 2006**  
**IDAHO INDEPENDENT BANK**  
**COEUR D'ALENE, IDAHO**  
**Charter No. 246**  
**Charter Issued September 7, 1993**  
**Incorporated November 3, 1992**

**OFFICERS:**

Chief Executive Officer: Jack W. Gustavel  
 President & Chief Operating Officer: Kurt R. Gustavel  
 Chief Financial Officer: Paul H. Montreuil

**DIRECTORS:**

Arthur Brown; Rod B. Colwell;  
 Michael J. Coughlin; Roy L. Eiguren;  
 Jack W. Gustavel; Kurt R. Gustavel;  
 Terry Gustavel; Jerald J. Jaeger; Gary L. Mahn

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	21,371
Interest-bearing balances	18,687
<b>Securities:</b>	
Held-to-maturity securities	
Available-for-sale securities	18,416
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	22
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	5,481
Loans and leases, net of unearned income	527,712
LESS: Allowance for loan and lease losses	9,882
Loans and leases, net of unearned income and allowance	517,830
<b>Trading assets</b>	2,128
<b>Premises and fixed assets (including capitalized leases)</b>	13,383
<b>Other real estate owned</b>	
<b>Intangible assets:</b>	
Goodwill	
Other intangible assets	
<b>Other assets</b>	17,927
<b>Total assets</b>	615,245
<b>Deposits:</b>	
In domestic offices:	
Noninterest-bearing	485,068
Interest-bearing	155,844
Interest-bearing	329,224
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	
Securities sold under agreements to repurchase	31,654
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	31,814
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	9,441
<b>Total liabilities</b>	557,977
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	29,742
<b>Surplus (exclude all surplus related to preferred stock)</b>	30,914
<b>Retained earnings</b>	1,799
Accumulated other comprehensive income	- 22
<b>Other equity capital components</b>	-5,164
<b>Total equity capital</b>	57,269
<b>Total liabilities, minority interest, and equity capital</b>	615,246

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**DECEMBER 31, 2006**  
**IRELAND BANK**  
**MALAD, IDAHO**  
**Charter No. 7**  
**Charter Issued May 1, 1899**  
**Incorporated December 8, 1892**

**OFFICERS:**

President & Chief Executive Officer: R. Blair Hawkes  
Chief Financial Officer: Lawrence G. Knudsen

**DIRECTORS:**

Timothy P. Deeg; R. Blair Hawkes; David G. Jenkins;  
Mary Jane Jenkins; Jeff Schutte; Randon W. Wilson

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	5,297
Interest-bearing balances	31
<b>Securities:</b>	
Held-to-maturity securities	4,758
Available-for-sale securities	48,324
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	9,250
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	230
Loans and leases, net of unearned income	120,465
LESS: Allowance for loan and lease losses	2,036
Loans and leases, net of unearned income and allowance	118,429
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	1,363
<b>Other real estate owned</b>	388
<b>Intangible assets:</b>	
Goodwill	
Other intangible assets	
<b>Other assets</b>	7,034
<b>Total assets</b>	195,104
<b>Deposits:</b>	
In domestic offices:	
Noninterest-bearing	168,939
Interest-bearing	43,478
Interest-bearing	125,461
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	
Securities sold under agreements to repurchase	1,492
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	8,445
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	1,186
<b>Total liabilities</b>	180,062
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	302
<b>Surplus (exclude all surplus related to preferred stock)</b>	5,367
<b>Retained earnings</b>	9,669
Accumulated other comprehensive income	- 296
<b>Other equity capital components</b>	
<b>Total equity capital</b>	15,042
<b>Total liabilities, minority interest, and equity capital</b>	195,104

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**DECEMBER 31, 2006**  
**MOUNTAIN WEST BANK**  
**COEUR D'ALENE, IDAHO**  
**Charter No. 256**  
**Charter Issued June 30, 1999**  
**Incorporated June 28, 1999**

**OFFICERS:**

President & Chief Executive Officer: Jon W. Hippler  
Chief Financial Officer: Ronn C. Rich

**DIRECTORS:**

Dennis Downer; Bradley E. Dugdale, Jr.; James English;  
Tom Gibson; Jon Hippler; Marcia Johnson;  
Stephen Meyer; Charles Nipp; J. Michael Patano;  
Donald Shepherd; Thomas K. Thilo

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	27,714
Interest-bearing balances	1,487
<b>Securities:</b>	
Held-to-maturity securities	
Available-for-sale securities	124,177
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	8,000
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	17,234
Loans and leases, net of unearned income	692,464
LESS: Allowance for loan and lease losses	8,048
Loans and leases, net of unearned income and allowance	684,416
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	21,029
<b>Other real estate owned</b>	15
<b>Intangible assets:</b>	
Goodwill	23,159
Other intangible assets	904
<b>Other assets</b>	10,949
<b>Total assets</b>	919,084
<b>Deposits:</b>	
In domestic offices:	
Noninterest-bearing	693,323
Interest-bearing	207,954
Federal funds purchased and securities sold under agreements to repurchase	485,369
Federal funds purchased	
Securities sold under agreements to repurchase	18,420
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	100,161
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	7,410
<b>Total liabilities</b>	819,314
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	1,789
<b>Surplus (exclude all surplus related to preferred stock)</b>	54,286
<b>Retained earnings</b>	42,186
Accumulated other comprehensive income	1,509
<b>Other equity capital components</b>	
<b>Total equity capital</b>	99,770
<b>Total liabilities, minority interest, and equity capital</b>	919,084

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**DECEMBER 31, 2006**  
**PANHANDLE STATE BANK**  
**SANDPOINT, IDAHO**  
**Charter No. 238**  
**Charter Issued May 15, 1981**  
**Incorporated December 19, 1980**

**OFFICERS:**

President & Chief Executive Officer: Curt Hecker  
Chief Operating Officer: Pamela R. Rasmussen  
Chief Financial Officer: Douglas Wright

**DIRECTORS:**

Charles L. Bauer; James T. Diehl; Ford Elsaesser;  
Curt Hecker; Ron Jones; Maggie Lyons; Terry Merwin;  
John B. Parker; James Patrick; Michael J. Romine;  
Jerrold B. Smith; Barbara Strickfaden; Douglas P. Ward

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	25,307
Interest-bearing balances	72
<b>Securities:</b>	
Held-to-maturity securities	6,719
Available-for-sale securities	118,491
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	35,385
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	8,945
Loans and leases, net of unearned income	674,592
LESS: Allowance for loan and lease losses	10,319
Loans and leases, net of unearned income and allowance	664,273
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	16,529
<b>Other real estate owned</b>	795
<b>Intangible assets:</b>	
Goodwill	11,662
Other intangible assets	881
<b>Other assets</b>	22,743
<b>Total assets</b>	911,802
<b>Deposits:</b>	
In domestic offices:	700,542
Noninterest-bearing	148,442
Interest-bearing	552,099
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	
Securities sold under agreements to repurchase	106,250
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	5,000
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	7,469
<b>Total liabilities</b>	819,261
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	2,668
<b>Surplus (exclude all surplus related to preferred stock)</b>	57,968
<b>Retained earnings</b>	32,015
Accumulated other comprehensive income	- 111
<b>Other equity capital components</b>	
<b>Total equity capital</b>	92,540
<b>Total liabilities, minority interest, and equity capital</b>	911,801

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**DECEMBER 31, 2006**  
**SYRINGA BANK**  
**BOISE, IDAHO**  
**Charter No. 251**  
**Charter Issued February 13, 1997**  
**Incorporated March 8, 1996**

**OFFICERS:**

President & Chief Executive Officer: Jerry F. Aldape  
Chief Financial Officer: Jerry F. Aldape

**DIRECTORS:**

H. Lew Andrews; Hilario "Larry" J. Arguinchona;  
Scott J. Chandler; Thomas B. Chandler; Don Deters;  
Terry Hayden; Cheryl Larrabee; Harvey L. Neef;  
Bruce C. Parker; Timothy D. Viehweg; Charles H. Wilson

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	4,060
Interest-bearing balances	406
<b>Securities:</b>	
Held-to-maturity securities	
Available-for-sale securities	13,002
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	1,783
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	249
Loans and leases, net of unearned income	180,863
LESS: Allowance for loan and lease losses	2,780
Loans and leases, net of unearned income and allowance	178,083
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	1,334
<b>Other real estate owned</b>	
<b>Intangible assets:</b>	
Goodwill	
Other intangible assets	
<b>Other assets</b>	2,378
<b>Total assets</b>	201,295
<b>Deposits:</b>	
In domestic offices:	
Noninterest-bearing	170,173
Interest-bearing	27,322
Interest-bearing	142,851
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	11
Securities sold under agreements to repurchase	
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	9,500
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	1,831
<b>Total liabilities</b>	181,515
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	5,082
<b>Surplus (exclude all surplus related to preferred stock)</b>	12,453
<b>Retained earnings</b>	2,285
Accumulated other comprehensive income	- 40
<b>Other equity capital components</b>	
<b>Total equity capital</b>	19,780
<b>Total liabilities, minority interest, and equity capital</b>	201,295

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**DECEMBER 31, 2006**  
**THE BANK OF COMMERCE**  
**IDAHO FALLS, IDAHO**  
**Charter No. 225**  
**Charter Issued March 30, 1959**  
**Incorporated March 30, 1959**

**OFFICERS:**

President & Chief Executive Officer: Thomas J. Romrell  
Chief Financial Officer: Ronald M. Johnson

**DIRECTORS:**

Richard N. Adams; Bradford C. Bowen;  
Julian G. Cowley; Calvin Erb; John W. Erb;  
Richard H. Groberg; William Reed

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	33,981
Interest-bearing balances	
<b>Securities:</b>	
Held-to-maturity securities	98,149
Available-for-sale securities	96,305
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	29,056
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	
Loans and leases, net of unearned income	412,279
LESS: Allowance for loan and lease losses	4,169
Loans and leases, net of unearned income and allowance	408,110
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	10,374
<b>Other real estate owned</b>	
<b>Intangible assets:</b>	
Goodwill	
Other intangible assets	
<b>Other assets</b>	11,285
<b>Total assets</b>	687,260
<b>Deposits:</b>	
In domestic offices:	
Noninterest-bearing	577,376
Interest-bearing	158,800
Interest-bearing	418,576
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	
Securities sold under agreements to repurchase	
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	9,202
<b>Total liabilities</b>	586,578
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	1,000
<b>Surplus (exclude all surplus related to preferred stock)</b>	29,200
<b>Retained earnings</b>	70,372
Accumulated other comprehensive income	110
<b>Other equity capital components</b>	
<b>Total equity capital</b>	100,682
<b>Total liabilities, minority interest, and equity capital</b>	687,260

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**DECEMBER 31, 2006**  
**UNITED BANK OF IDAHO**  
**DRIGGS, IDAHO**  
**Charter No. 260**  
**Charter Issued July 16, 2006**  
**Incorporated August 31, 2006**

**OFFICERS:**

Chief Executive Officer: W. Richard Scarlett, III  
President: Jerry W. Rankin  
Chief Financial Officer: Brent M. Kroger

**DIRECTORS:**

Patty K. Cook; Stephen W. Hoopes;  
John A. McKellar; Jerry W. Rankin;  
W. Richard Scarlett, III

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<b>Cash and balances due from depository institutions</b>	
Noninterest-bearing balances and currency and coin	970
Interest-bearing balances	
<b>Securities:</b>	
Held-to-maturity securities	
Available-for-sale securities	
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	990
Securities purchased under agreements to resell	
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	
Loans and leases, net of unearned income	13,785
LESS: Allowance for loan and lease losses	51
Loans and leases, net of unearned income and allowance	13,734
<b>Trading assets</b>	
<b>Premises and fixed assets (including capitalized leases)</b>	335
<b>Other real estate owned</b>	
<b>Intangible assets:</b>	
Goodwill	
Other intangible assets	
<b>Other assets</b>	393
<b>Total assets</b>	16,422
<b>Deposits:</b>	
In domestic offices:	10,484
Noninterest-bearing	1,295
Interest-bearing	9,189
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	
Securities sold under agreements to repurchase	
<b>Trading liabilities</b>	
<b>Other borrowed money</b>	
<b>Bank's liability on acceptances executed and outstanding</b>	
<b>Subordinated notes and debentures</b>	
<b>Other liabilities</b>	92
<b>Total liabilities</b>	10,576
<b>Minority interest in consolidated subsidiaries</b>	
<b>Perpetual preferred stock and related surplus</b>	
<b>Common stock</b>	3,000
<b>Surplus (exclude all surplus related to preferred stock)</b>	1,500
<b>Retained earnings</b>	1,346
Accumulated other comprehensive income	
<b>Other equity capital components</b>	
<b>Total equity capital</b>	5,846
<b>Total liabilities, minority interest, and equity capital</b>	16,422

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**DECEMBER 31, 2006**  
**THE IDAHO COMPANY**  
**IDAHO FALLS, IDAHO**  
**Charter No. 1**  
**Incorporated November 28, 1986**  
**BIDCO License Issued July 11, 1989**

**OFFICERS:**

Chairman, President, & Chief Executive Officer:  
 William F. Rigby

**DIRECTORS:**

Jeffrey Jones; John Rigby;  
 William F. Rigby; Fred T. Thompson, Jr.;  
 Shanon Taylor; Ronald Warnecke

	<u>(000's Omitted)</u>
<b><u>ASSETS</u></b>	
Cash .....	8
Loan Receivable.....	1,288
Less: Allowance for Loan Losses .....	132
Net Loans and Leases.....	1,156
Accounts Receivable.....	4
Interest Receivable .....	135
Prepaid Expenses .....	0
Other Investments .....	132
Total Assets.....	<u>1,435</u>
 <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>	
Accounts Payable .....	0
Accrued Expenses .....	10
Notes Payable.....	378
Total Liabilities .....	388
 <b><u>STOCKHOLDERS' EQUITY</u></b>	
Common Stock.....	983
Capital Contributed.....	154
Retained Earnings .....	(90)
Total Stockholders' Equity.....	1,047
 Total Liabilities and Stockholders' Equity.....	 <u>1,435</u>

### Financial Institutions Operating in Idaho<sup>3</sup>

Institution	Address	City	State
Ireland Bank	386 North Main Street	Aberdeen	ID
Wells Fargo Bank, National Association	165 South Main Street	Aberdeen	ID
Wells Fargo Bank, National Association	4630 West State Street	Ada County	ID
D. L. Evans Bank	Main and Market Streets	Albion	ID
Keybank National Association	290 Idaho Street	American Falls	ID
The Bank of Commerce	590 Tyhee	American Falls	ID
U.S. Bank National Association	588 Fort Hall Avenue	American Falls	ID
Wells Fargo Bank, National Association	246 Idaho Street	American Falls	ID
The Bank of Commerce	3113 South 25th East	Ammon	ID
Washington Mutual Bank	1711 South 25th Rd E	Ammon	ID
Zions First National Bank	2540 East Sunnyside Road	Ammon	ID
The Bank of Commerce	120 Grand Avenue	Arco	ID
Wells Fargo Bank, National Association	205 West Grand Avenue	Arco	ID
Bank of Idaho	600 Main Street	Ashton	ID
Keybank National Association	24 South 5th Street	Ashton	ID
First Bank of Idaho, FSB	731 North Main Street	Bellevue	ID
U.S. Bank National Association	625 South Main Street	Bellevue	ID
Keybank National Association	15 North Ash Street	Blackfoot	ID
The Bank of Commerce	280 West Judicial	Blackfoot	ID
U.S. Bank National Association	9 South Ash Street	Blackfoot	ID
Washington Federal Savings and Loan Association	715 West Judicial	Blackfoot	ID
Wells Fargo Bank, National Association	109 South Broadway	Blackfoot	ID
Zions First National Bank	1350 Parkway Drive #1	Blackfoot	ID
Bank of America, National Association	1200 Main Street	Boise	ID
Bank of America, National Association	421 North Cole Road	Boise	ID
Bank of America, National Association	280 South. Capital Boulevard	Boise	ID
Bank of America, National Association	9780 West Fairview Avenue	Boise	ID
Bank of America, National Association	3563 South Federal Way	Boise	ID
Bank of the Cascades	209 North 12th Street	Boise	ID
Bank of the Cascades	Plaza 121 Office, 121 North	Boise	ID
Bank of the Cascades	6981 Overland Road	Boise	ID
Bank of the Cascades	801 South Vista Avenue	Boise	ID
Bank of the Cascades	121 North 9th Street, Suite 100	Boise	ID
Bank of the West	9140 West Emerald Street	Boise	ID
Bank of the West	827 West Idaho Street	Boise	ID
Banner Bank	6850 Fairview Avenue	Boise	ID
Banner Bank	950 West Bannock Street, Suite 100	Boise	ID
Banner Bank	1550 South Kimball Way	Boise	ID
D. L. Evans Bank	3845 West State Street	Boise	ID
D. L. Evans Bank	7450 West Emerald Street	Boise	ID
D. L. Evans Bank	1600 South Vista Avenue	Boise	ID
Home Federal Bank	800 West State Street	Boise	ID
Home Federal Bank	10443 Fairview Avenue	Boise	ID
Home Federal Bank	8300 West Overland Road	Boise	ID
Home Federal Bank	871 Parkcenter Boulevard	Boise	ID
Home Federal Bank	7319 West State Street	Boise	ID
Home Federal Bank	1307 Maple Grove Road	Boise	ID
Idaho Banking Company	6010 Fairview Avenue	Boise	ID
Idaho Banking Company	449 East Parkcenter Boulevard	Boise	ID
Idaho Independent Bank	317 North 9th Street	Boise	ID
Idaho Independent Bank	8351 West Overland Road	Boise	ID
Idaho Independent Bank	317 North 9th Street	Boise	ID
Idaho Independent Bank	921 West Jefferson Street	Boise	ID
Idaho Trust National Bank	888 West Broad Street	Boise	ID

<sup>3</sup> Source: FDIC Summary of Deposit

## Financial Institutions Operating in Idaho

Institution	Address	City	State
Keybank National Association	702 West Idaho Street	Boise	ID
Keybank National Association	4920 Overland Street	Boise	ID
Keybank National Association	3149 North Cole Road	Boise	ID
Keybank National Association	1111 Broadway Avenue	Boise	ID
Keybank National Association	875 East Parkenter Boulevard	Boise	ID
Keybank National Association	6700 West State Street	Boise	ID
Keybank National Association	8157 West Fairview Avenue	Boise	ID
Mountain West Bank	433 North 16th Street	Boise	ID
Mountain West Bank	80 South Cole Road	Boise	ID
Mountain West Bank	7107 West State Street	Boise	ID
Mountain West Bank	800 West Bannock Street	Boise	ID
Sterling Savings Bank	420 West Main Street	Boise	ID
Sterling Savings Bank	1412 West Idaho St., Suite 120	Boise	ID
Syringa Bank	1299 North Orchard Street	Boise	ID
Syringa Bank	999 Main Street, Suite 100	Boise	ID
U.S. Bank National Association	101 South Capitol Boulevard	Boise	ID
U.S. Bank National Association	1000 Broadway Avenue	Boise	ID
U.S. Bank National Association	1515 South Orchard Street	Boise	ID
U.S. Bank National Association	111 South 27th Street	Boise	ID
U.S. Bank National Association	7230 Fairview Avenue	Boise	ID
U.S. Bank National Association	2730 Airport Way	Boise	ID
U.S. Bank National Association	10556 Fairview Avenue	Boise	ID
U.S. Bank National Association	205 North 10 <sup>th</sup> Street	Boise	ID
U.S. Bank National Association	10541 Overland Road	Boise	ID
U.S. Bank National Association	301 West Parkcenter Boulevard	Boise	ID
U.S. Bank National Association	1688 State Street	Boise	ID
U.S. Bank National Association	8534 Franklin Road	Boise	ID
U.S. Bank National Association	5312 Chinden Boulevard	Boise	ID
U.S. Bank National Association	10500 Overland Road	Boise	ID
U.S. Bank National Association	1103 Vista Avenue	Boise	ID
U.S. Bank National Association	7100 West State Street	Boise	ID
U.S. Bank National Association	10700 Ustick Road	Boise	ID
U.S. Bank National Association	6560 South Federal Way	Boise	ID
U.S. Bank National Association	3614 West State Street	Boise	ID
U.S. Bank National Association	4700 North Eagle Road	Boise	ID
Washington Federal Savings and Loan Association	1001 West Idaho Street	Boise	ID
Washington Federal Savings and Loan Association	10 S Orchard Street	Boise	ID
Washington Federal Savings and Loan Association	3197 North Cole Road	Boise	ID
Washington Federal Savings and Loan Association	1789 Broadway Avenue	Boise	ID
Washington Federal Savings and Loan Association	10150 Fairview Avenue	Boise	ID
Washington Mutual Bank	5120 West Franklin Road	Boise	ID
Washington Mutual Bank	3527 Federal Way SE, Suite A	Boise	ID
Washington Mutual Bank	6490 South Federal Way	Boise	ID
Washington Mutual Bank	2423 South Apple St	Boise	ID
Washington Mutual Bank	3550 West State Street	Boise	ID
Washington Mutual Bank FSB	199 N Capitol Blvd, Suit	Boise	ID
Washington Mutual Bank FSB	10751 W Overland Road #d	Boise	ID
Washington Mutual Bank FSB	373 N Milwaukee St	Boise	ID
Washington Trust Bank	7930 Fairview Avenue	Boise	ID
Washington Trust Bank	901 West Bannock Street	Boise	ID
Washington Trust Bank	7802 West Overland Road	Boise	ID
Wells Fargo Bank, National Association	421 North Orchard Avenue	Boise	ID
Wells Fargo Bank, National Association	7700 Fairview Avenue	Boise	ID
Wells Fargo Bank, National Association	10342 Overland Road	Boise	ID
Wells Fargo Bank, National Association	6788 Glenwood St	Boise	ID

## Financial Institutions Operating in Idaho

Institution	Address	City	State
Wells Fargo Bank, National Association	1205 Broadway Avenue	Boise	ID
Wells Fargo Bank, National Association	3150 North Five Mile Road	Boise	ID
Wells Fargo Bank, National Association	818 East Boise Avenue	Boise	ID
Wells Fargo Bank, National Association	505 West Bannock Street	Boise	ID
Wells Fargo Bank, National Association	1400 Vista Avenue	Boise	ID
Wells Fargo Bank, National Association	877 West Main Street	Boise	ID
Wells Fargo Bank, National Association	848 West Main Street	Boise	ID
Wells Fargo Bank, National Association	4594 North Eagle Road	Boise	ID
Zions First National Bank	7402 Fairview Avenue	Boise	ID
Zions First National Bank	890 Main Street	Boise	ID
Zions First National Bank	6176 North Eagle	Boise	ID
Mountain West Bank	7186 1st Street	Bonnors Ferry	ID
Panhandle State Bank	6750 Main	Bonnors Ferry	ID
Wells Fargo Bank, National Association	6764 Main Street	Bonnors Ferry	ID
First Federal Savings Bank of Twin Falls	123 Broadway Avenue North	Buhl	ID
The Farmers National Bank of Buhl	914 Main Street	Buhl	ID
U.S. Bank National Association	819 Main Street	Buhl	ID
Wells Fargo Bank, National Association	200 Broadway North	Buhl	ID
D. L. Evans Bank	397 North Overland Avenue	Burley	ID
D. L. Evans Bank	2281 Overland Avenue	Burley	ID
First Federal Savings Bank of Twin Falls	2059 Overland Avenue	Burley	ID
First Federal Savings Bank of Twin Falls	1095 East Main St	Burley	ID
Keybank National Association	1301 Overland Avenue	Burley	ID
U.S. Bank National Association	112 East Main Street	Burley	ID
Wells Fargo Bank, National Association	130 East Main Street	Burley	ID
Wells Fargo Bank, National Association	937 E. Main Street	Burley	ID
Zions First National Bank	102 West Main Street	Burley	ID
Bank of the Cascades	1110 Blaine	Caldwell	ID
Home Federal Bank	923 Dearborn St	Caldwell	ID
Home Federal Bank	5108 E. Cleveland Blvd.	Caldwell	ID
Idaho Independent Bank	620 S Kimball	Caldwell	ID
Keybank National Association	309 South 9th Street	Caldwell	ID
Panhandle State Bank	506 S 10th Avenue	Caldwell	ID
U.S. Bank National Association	607 Cleveland Boulevard	Caldwell	ID
Washington Federal Savings and Loan Association	515 Cleveland Blvd	Caldwell	ID
Washington Mutual Bank	1018 Blaine St	Caldwell	ID
Wells Fargo Bank, National Association	823 Cleveland Boulevard	Caldwell	ID
Wells Fargo Bank, National Association	5218 Cleveland Blvd	Caldwell	ID
Wells Fargo Bank, National Association	2500 Blaine St	Caldwell	ID
Zions First National Bank	509 South Kimball Ave.	Caldwell	ID
U.S. Bank National Association	95 North Superior Street	Cambridge	ID
Sterling Savings Bank	101 South Main Street	Cascade	ID
Wells Fargo Bank, National Association	Fourth and Main	Challis	ID
AmericanWest Bank	223 W. Ironwood Drive	Coeur d'Alene	ID
bankcda	1620 Northwest Blvd, Bldg A	Coeur d'Alene	ID
bankcda	1620 Northwest Boulevard, Bu	Coeur d'Alene	ID
Idaho Independent Bank	1260 West Riverstone Drive	Coeur d'Alene	ID
Idaho Trust National Bank	608 Northwest Blvd, Ste. 300	Coeur d'Alene	ID
Mountain West Bank	125 Ironwood Drive	Coeur d'Alene	ID
Mountain West Bank	1715 W. Kathleen Avenue	Coeur d'Alene	ID
Panhandle State Bank	200 W. Neider Avenue	Coeur d'Alene	ID
Panhandle State Bank	200 W Neider Ave	Coeur d'Alene	ID
Sterling Savings Bank	1120 Sherman	Coeur d'Alene	ID
Wells Fargo Bank, National Association	230 W Ironwood Drive	Coeur d'Alene	ID
Wells Fargo Bank, National Association	301 E Sherman Avenue	Coeur d'Alene	ID
Wells Fargo Bank, National Association	114 West Appleyay	Coeur d'Alene	ID

## Financial Institutions Operating in Idaho

Institution	Address	City	State
Bank of America, National Association	401 Front Avenue	Coeur d'Alene	ID
Bank of America, National Association	West 501 Appleway	Coeur d'Alene	ID
Bank of America, National Association	West 357 Canfield	Coeur d'alene	ID
Inland Northwest Bank	955 Ironwood Drive	Coeur d'alene	ID
Sterling Savings Bank	1233 Northwood Center Court	Coeur d'Alene	ID
U.S. Bank National Association	302 Sherman Avenue	Coeur d'Alene	ID
U.S. Bank National Association	1603 North Fourth Street	Coeur d'Alene	ID
U.S. Bank National Association	6376 North Government Way	Coeur d'Alene	ID
Washington Mutual Bank FSB	560 West Kathleen Suite A	Coeur d'Alene	ID
Washington Trust Bank	218 Lakeside Street	Coeur d'Alene	ID
U.S. Bank National Association	104 Main Street	Cottonwood	ID
Wells Fargo Bank, National Association	316 Main Street	Cottonwood	ID
U.S. Bank National Association	210 Illinois Avenue	Council	ID
Wells Fargo Bank, National Association	113 West Main Street	Craigmont	ID
Ireland Bank	Main and Center Streets	Downey	ID
First Bank of Idaho, FSB	200 South Main St	Driggs	ID
Keybank National Association	15 North Main Street	Driggs	ID
The Bank of Commerce	65 East Wallace	Driggs	ID
United Bank of Idaho	185 South Main Street	Driggs	ID
Home Federal Bank	100 E. Riverside Dr	Eagle	ID
Idaho Banking Company	402 South Eagle Road	Eagle	ID
Idaho Independent Bank	560 E. State Street	Eagle	ID
Keybank National Association	3314 East Chinden Boulevard	Eagle	ID
Mountain West Bank	1539 East Iron Eagle Drive	Eagle	ID
Syringa Bank	3172 E State St	Eagle	ID
U.S. Bank National Association	150 West State Street	Eagle	ID
U.S. Bank National Association	250 South Eagle Road	Eagle	ID
Washington Federal Savings and Loan Association	701 E State St	Eagle	ID
Washington Mutual Bank	468 Rivershore Lane	Eagle	ID
Wells Fargo Bank, National Association	498 East State Street	Eagle	ID
Home Federal Bank	250 S. Washington	Emmett	ID
Keybank National Association	1024 South Washington Avenue	Emmett	ID
U.S. Bank National Association	200 South Washington	Emmett	ID
Wells Fargo Bank, National Association	102 West Main Street	Emmett	ID
U.S. Bank National Association	512 Soldier Road	Fairfield	ID
U.S. Bank National Association	98 Highway 30	Filer	ID
Bank of the Cascades	1850 N. Whitley Drive	Fruitland	ID
Keybank National Association	16th and Whitley	Fruitland	ID
Panhandle State Bank	1710 North Whitley Drive Sui	Fruitland	ID
Zions First National Bank	909 NW 16th Street, Suite B	Fruitland	ID
Bank of the Cascades	4128 Adams Street	Garden City	ID
Washington Mutual Bank FSB	5425 Chinden Blvd	Garden City	ID
Washington Trust Bank	7309 N. State Street	Garden City	ID
Wells Fargo Bank, National Association	3301 W Chinden Boulevard	Garden City	ID
Wells Fargo Bank, National Association	102 E Walnut St	Genesee	ID
U.S. Bank National Association	102 East Idaho	Glenns Ferry	ID
Bank of America, National Association	645 Main St	Gooding	ID
Panhandle State Bank	746 Main Street	Gooding	ID
Wells Fargo Bank, National Association	445 Main Street	Gooding	ID
Zions First National Bank	502 Main Street	Gooding	ID
Ireland Bank	1 North Main	Grace	ID
U.S. Bank National Association	300 South Main Street	Grand View	ID
Sterling Savings Bank	147 West Main	Grangeville	ID
U.S. Bank National Association	104 East Main Street	Grangeville	ID
Wells Fargo Bank, National Association	162 East Main Street	Grangeville	ID
U.S. Bank National Association	111 West Hagerman Avenue	Hagerman	ID

## Financial Institutions Operating in Idaho

Institution	Address	City	State
Bank of America, National Association	215 N Main	Hailey	ID
D. L. Evans Bank	12 E. Bullion Street	Hailey	ID
First Bank of Idaho, FSB	314 N Main St	Hailey	ID
Mountain West Bank	206 N Main Street	Hailey	ID
Wells Fargo Bank, National Association	100 N Main Street	Hailey	ID
AmericanWest Bank	255 W. Hayden Avenue	Hayden	ID
bankcda	200 W. Honeysuckle Ave.	Hayden	ID
Mountain West Bank	305 West Prairie Avenue	Hayden	ID
Sterling Savings Bank	8060 N. Cornerstone Drive	Hayden	ID
Washington Trust Bank	8050 N. Government Way	Hayden	ID
Bank of America, National Association	162 W Hayden Avenue	Hayden Lake	ID
Idaho Independent Bank	8882 North Government Way	Hayden Lake	ID
U.S. Bank National Association	197 West Prairie Avenue	Hayden Lake	ID
Wells Fargo Bank, National Association	204 W Hayden Avenue	Hayden Lake	ID
U.S. Bank National Association	255 Main Street	Hazelton	ID
U.S. Bank National Association	112 South Main	Homedale	ID
Bank of America, National Association	110 North Holmes Avenue	Idaho Falls	ID
Bank of Idaho	399 North Capital Avenue	Idaho Falls	ID
Bank of Idaho	1800 Channing Way	Idaho Falls	ID
Citizens Community Bank	2797 South 25th East	Idaho Falls	ID
D. L. Evans Bank	888 East 17th Street	Idaho Falls	ID
Keybank National Association	501 Broadway	Idaho Falls	ID
Keybank National Association	1625 Northgate Mile	Idaho Falls	ID
Keybank National Association	2655 East 17th Street	Idaho Falls	ID
The Bank of Commerce	375 N Yellowstone Avenue	Idaho Falls	ID
The Bank of Commerce	1770 17th Street	Idaho Falls	ID
The Bank of Commerce	1730 W. Broadway	Idaho Falls	ID
The Bank of Commerce	1455 Northgate Mile	Idaho Falls	ID
U.S. Bank National Association	330 Shoup Avenue	Idaho Falls	ID
U.S. Bank National Association	585 First Street	Idaho Falls	ID
U.S. Bank National Association	1555 West Broadway	Idaho Falls	ID
Washington Federal Savings and Loan Association	500 N Capital	Idaho Falls	ID
Washington Mutual Bank FSB	1555 Northgate Mile Suite A	Idaho Falls	ID
Wells Fargo Bank, National Association	320 A Street	Idaho Falls	ID
Wells Fargo Bank, National Association	635 North Skyline Drive	Idaho Falls	ID
Wells Fargo Bank, National Association	305 First Street	Idaho Falls	ID
Wells Fargo Bank, National Association	1798 Hitt Road	Idaho Falls	ID
Wells Fargo Bank, National Association	400 South Woodruff Avenue	Idaho Falls	ID
Wells Fargo Bank, National Association	576 E 17th St	Idaho Falls	ID
Zions First National Bank	1235 South Utah Avenue	Idaho Falls	ID
Ireland Bank	Main Street and Highway 30	Inkom	ID
Bank of Idaho	4128 Lodgepole Drive	Island Park	ID
D. L. Evans Bank	1014 South Lincoln	Jerome	ID
First Federal Savings Bank of Twin Falls	1515 S Lincoln	Jerome	ID
The Farmers National Bank of Buhl	1441 South Lincoln	Jerome	ID
U.S. Bank National Association	300 South Lincoln	Jerome	ID
Washington Federal Savings and Loan Association	140 E Main St	Jerome	ID
Wells Fargo Bank, National Association	100 East Main Street	Jerome	ID
Wells Fargo Bank, National Association	320 Idaho Street	Kamiah	ID
AmericanWest Bank	120 Railroad Ave	Kellogg	ID
Panhandle State Bank	302 W. Cameron Avenue	Kellogg	ID
U.S. Bank National Association	7 Mckinley Avenue	Kellogg	ID
Wells Fargo Bank, National Association	100 Mckinley Avenue	Kellogg	ID
Wells Fargo Bank, National Association	202 West Cameron Ave	Kellogg	ID
Wells Fargo Bank, National Association	501 E Main Street	Kendrick	ID
Bank of America, National Association	311 Main St	Ketchum	ID

## Financial Institutions Operating in Idaho

Institution	Address	City	State
Bank of the West	600 Sun Valley Road	Ketchum	ID
D. L. Evans Bank	680 Sun Valley Road	Ketchum	ID
First Bank of Idaho, FSB	111 Main St	Ketchum	ID
Idaho Independent Bank	180 First Street West, Unit	Ketchum	ID
Mountain West Bank	491 Sun Valley Road East	Ketchum	ID
U.S. Bank National Association	191 Sun Valley Road	Ketchum	ID
Wells Fargo Bank, National Association	600 Sun Valley Road	Ketchum	ID
Zions First National Bank	291 Washington Ave.	Ketchum	ID
First Federal Savings Bank of Twin Falls	22349 Kimberly Rd	Kimberly	ID
Wells Fargo Bank, National Association	242 Main Street North	Kimberly	ID
Sterling Savings Bank	001 Main Street	Kooskia	ID
Bank of the Cascades	840 E. Avalon Street	Kuna	ID
U.S. Bank National Association	485 West Third Street	Kuna	ID
Ireland Bank	110 Main Street	Lava Hot	ID
AmericanWest Bank	2201 Thain Grade	Lewiston	ID
Banner Bank	639 Bryden Avenue	Lewiston	ID
Banner Bank	1031 21st Street	Lewiston	ID
Sterling Savings Bank	2250 Thain Grade Road	Lewiston	ID
Sterling Savings Bank	444 Thain Road	Lewiston	ID
Sterling Savings Bank	921 F Street	Lewiston	ID
Syringa Bank	1702 21st Street, Suite 113	Lewiston	ID
Twin River National Bank	1507 G Street	Lewiston	ID
U.S. Bank National Association	1900 19th Avenue	Lewiston	ID
U.S. Bank National Association	835 Main Street	Lewiston	ID
Wells Fargo Bank, National Association	868 Main Street	Lewiston	ID
Wells Fargo Bank, National Association	303 Thain Rd	Lewiston	ID
Zions First National Bank	623 Main Street	Lewiston	ID
Zions First National Bank	3506 12th Street	Lewiston	ID
U.S. Bank National Association	202 South Main Street	Mackay	ID
Ireland Bank	33 Bannock Street	Malad City	ID
U.S. Bank National Association	25 East 50 South	Malad City	ID
U.S. Bank National Association	445 Main Street	Marsing	ID
Idaho First Bank	101 East Lake Street	McCall	ID
Sterling Savings Bank	900 Second Street	McCall	ID
U.S. Bank National Association	905 North Second Street	McCall	ID
Washington Federal Savings and Loan Association	204 E Park St	McCall	ID
Bank of the Cascades	3135 East Overland Road	Meridian	ID
Bank of the Cascades	30 E Broadway Avenue	Meridian	ID
Banner Bank	900 East Fairview Avenue	Meridian	ID
D. L. Evans Bank	2560 East Fairview Avenue	Meridian	ID
Home Federal Bank	55 E. Franklin Rd.	Meridian	ID
Home Federal Bank	4051 E. Fairview Ave.	Meridian	ID
Home Federal Bank	111 No. Main Street	Meridian	ID
Idaho Banking Company	1875 S. Eagle Rd.	Meridian	ID
Idaho Independent Bank	113 East Idaho	Meridian	ID
Keybank National Association	1650 East Fairview Avenue	Meridian	ID
Keybank National Association	3055 East Overland Road	Meridian	ID
Mountain West Bank	2970 East Saint Lukes Drive	Meridian	ID
Mountain West Bank	4250 Fairview Avenue East	Meridian	ID
Sterling Savings Bank	1595 S. Eagle Road	Meridian	ID
Syringa Bank	3671 East Fairview Avenue	Meridian	ID
U.S. Bank National Association	220 West Cherry Lane	Meridian	ID
U.S. Bank National Association	20 East Fairview Avenue	Meridian	ID
U.S. Bank National Association	3301 West Cherry Lane	Meridian	ID
Washington Federal Savings and Loan Association	713 N Main St	Meridian	ID
Washington Mutual Bank FSB	1850 E Fairview Ave	Meridian	ID

## Financial Institutions Operating in Idaho

Institution	Address	City	State
Washington Trust Bank	3251 East Presidential Drive	Meridian	ID
Wells Fargo Bank, National Association	1682 N Main Street	Meridian	ID
Wells Fargo Bank, National Association	210 East Corporate Drive	Meridian	ID
Syringa Bank	1028 W. Main Street	Middleton	ID
Ireland Bank	420 North Fourth Street	Montpelier	ID
U.S. Bank National Association	672 Washington	Montpelier	ID
Wells Fargo Bank, National Association	830 Washington Street	Montpelier	ID
Zions First National Bank	902 Washington Street	Montpelier	ID
AmericanWest Bank	600 South Jackson	Moscow	ID
Sterling Savings Bank	609 South Washington	Moscow	ID
Sterling Savings Bank	210 South Jackson Street	Moscow	ID
U.S. Bank National Association	301 South Main	Moscow	ID
U.S. Bank National Association	1314 South Blaine Street	Moscow	ID
Washington Mutual Bank FSB	1790 W Pullman Road	Moscow	ID
Wells Fargo Bank, National Association	221 South Main Street	Moscow	ID
Wells Fargo Bank, National Association	1313 South Blaine St	Moscow	ID
Zions First National Bank	105 South Main Street	Moscow	ID
Home Federal Bank	400 N. 3rd East	Mountain	ID
Idaho Independent Bank	310 American Legion Boulevar	Mountain	ID
U.S. Bank National Association	305 North Second East	Mountain	ID
Washington Mutual Bank	290 N Second E	Mountain	ID
Wells Fargo Bank, National Association	210 East Jackson Street	Mountain	ID
Wells Fargo Bank, National Association	415 Rosewood Ave	Mountain	ID
The Bank of Commerce	110 Main Street	Mud Lake	ID
Bank of America, National Association	1460 Caldwell Boulevard	Nampa	ID
Bank of the Cascades	112 2nd Street South	Nampa	ID
Bank of the Cascades	1513 12th Ave. Rd.	Nampa	ID
Bank of the West	1313 Caldwell Boulevard	Nampa	ID
D. L. Evans Bank	2071 12th Avenue Road	Nampa	ID
Home Federal Bank	500 12th Ave S.	Nampa	ID
Home Federal Bank	2100 12th Avenue Rd.	Nampa	ID
Home Federal Bank	5875 E. Franklin Road	Nampa	ID
Idaho Independent Bank	804 12th Avenue South	Nampa	ID
Keybank National Association	324 12th Avenue South	Nampa	ID
Keybank National Association	1020 Caldwell Boulevard	Nampa	ID
Mountain West Bank	2024 Caldwell Boulevard	Nampa	ID
Mountain West Bank	1223 12th Avenue Road	Nampa	ID
Panhandle State Bank	521 12th Avenue, South	Nampa	ID
U.S. Bank National Association	1112 First Street South	Nampa	ID
U.S. Bank National Association	1515 Caldwell Boulevard	Nampa	ID
U.S. Bank National Association	2400 12th Avenue Road	Nampa	ID
Washington Federal Savings and Loan Association	223 11th Ave S	Nampa	ID
Washington Mutual Bank	164 E Maine Ave	Nampa	ID
Washington Mutual Bank FSB	50 2nd St S	Nampa	ID
Washington Trust Bank	2200 North Cassia Street	Nampa	ID
Wells Fargo Bank, National Association	103 12th Avenue South	Nampa	ID
Wells Fargo Bank, National Association	1401 Twelfth Avenue S	Nampa	ID
Wells Fargo Bank, National Association	2122 W. Karcher Road	Nampa	ID
Zions First National Bank	2121 W. Karcher Road	Nampa	ID
Sterling Savings Bank	308 Virginia Avenue	New Meadows	ID
Zions First National Bank	130 Plymouth Avenue, North	New Plymouth	ID
U.S. Bank National Association	410 Oak Street	Nez Perce	ID
AmericanWest Bank	100 Main Street	Orofino	ID
U.S. Bank National Association	333 Michigan Avenue	Orofino	ID
Wells Fargo Bank, National Association	210 Michigan Avenue	Orofino	ID
Bank of America, National Association	733 E. Mullen Avenue	Osburn	ID

## Financial Institutions Operating in Idaho

Institution	Address	City	State
Wells Fargo Bank, National Association	730 E Mullen Avenue	Osburn	ID
U.S. Bank National Association	Third and Grove Streets	Parma	ID
Wells Fargo Bank, National Association	202 E. Grove Street	Parma	ID
Keybank National Association	108 East Ellis	Paul	ID
Bank of America, National Association	102 South Main Street	Payette	ID
Panhandle State Bank	175 N. 16th Street	Payette	ID
U.S. Bank National Association	101 South Main Street	Payette	ID
Wells Fargo Bank, National Association	2 South Main Street	Payette	ID
U.S. Bank National Association	1 Country Club Lane	Pinehurst	ID
Sterling Savings Bank	365 10th and D Street	Plummer	ID
Bank of America, National Association	860 Yellowstone Avenue	Pocatello	ID
Bank of Idaho	1230 Yellowstone Avenue	Pocatello	ID
Bank of Idaho	2300 Via Caporatti Drive	Pocatello	ID
Citizens Community Bank	280 South Arthur Avenue	Pocatello	ID
Citizens Community Bank	280 South Arthur Avenue	Pocatello	ID
Citizens Community Bank	2000 Flandro Drive	Pocatello	ID
D. L. Evans Bank	333 Yellowstone Avenue	Pocatello	ID
D. L. Evans Bank	4080 Yellowstone Avenue	Pocatello	ID
Ireland Bank	2715 Poleline Road	Pocatello	ID
Ireland Bank	486 Yellowstone Avenue	Pocatello	ID
Keybank National Association	4750 Yellowstone	Pocatello	ID
Keybank National Association	105 North Arthur Street	Pocatello	ID
Keybank National Association	910 Yellowstone Avenue	Pocatello	ID
U.S. Bank National Association	120 North Arthur	Pocatello	ID
U.S. Bank National Association	855 Yellowstone	Pocatello	ID
Washington Federal Savings and Loan Association	1045 Yellowstone Ave	Pocatello	ID
Washington Mutual Bank	800 Yellowstone Ave Ste A	Pocatello	ID
Wells Fargo Bank, National Association	751 East Clark Street	Pocatello	ID
Wells Fargo Bank, National Association	333 South Main Street	Pocatello	ID
Wells Fargo Bank, National Association	4195 Yellowstone Ave	Pocatello	ID
Wells Fargo Bank, National Association	950 Yellowstone Avenue	Pocatello	ID
Zions First National Bank	253 South Main Street	Pocatello	ID
Zions First National Bank	1590 Yellowstone	Pocatello	ID
Mountain West Bank	476655 Highway 95 North	Ponderay	ID
Panhandle State Bank	300 Kootenai Cutoff Road	Ponderay	ID
Bank of America, National Association	405 E. Seltice	Post Falls	ID
Community 1st Bank	707 North Post Street	Post Falls	ID
Inland Northwest Bank	1729 East Seltice Way	Post Falls	ID
Mountain West Bank	709 East Seltice Way	Post Falls	ID
Panhandle State Bank	3235 E Mullan Ave	Post Falls	ID
U.S. Bank National Association	East 415 Seltice Way	Post Falls	ID
Washington Mutual Bank	3134 E Mullan Ave Ste A	Post Falls	ID
Washington Trust Bank	East 1601 Seltice Way	Post Falls	ID
Wells Fargo Bank, National Association	701 Goude Street	Post Falls	ID
U.S. Bank National Association	200 Sixth and Pine Street	Potlatch	ID
Ireland Bank	85 East Oneida	Preston	ID
Lewiston State Bank	217 South State	Preston	ID
U.S. Bank National Association	1 South State	Preston	ID
Wells Fargo Bank, National Association	5 N State Street	Preston	ID
Panhandle State Bank	6568 Hwy 2	Priest River	ID
U.S. Bank National Association	102 Treat Street	Priest River	ID
Wells Fargo Bank, National Association	U.S. Highway # 2	Priest River	ID
Panhandle State Bank	662 Commercial Park Avenue	Rathdrum	ID
Washington Trust Bank	16102 Highway 41	Rathdrum	ID
Wells Fargo Bank, National Association	Highway 41	Rathdrum	ID
Citizens Community Bank	452 North 2nd East	Rexburg	ID

## Financial Institutions Operating in Idaho

Institution	Address	City	State
Keybank National Association	110 East Main Street	Rexburg	ID
The Bank of Commerce	184 East 200 North Street	Rexburg	ID
U.S. Bank National Association	77 East Main	Rexburg	ID
Washington Federal Savings and Loan Association	80 N 2nd E	Rexburg	ID
Wells Fargo Bank, National Association	39 East Main Street	Rexburg	ID
Zions First National Bank	149 West Main Street	Rexburg	ID
The Bank of Commerce	463 Rigby Lake Dr	Rigby	ID
U.S. Bank National Association	183 South State	Rigby	ID
Wells Fargo Bank, National Association	127 North State Street	Rigby	ID
Zions First National Bank	219 East Main Street	Rigby	ID
Sterling Savings Bank	402 South Main Street	Riggins	ID
The Bank of Commerce	386 Main Street	Ririe	ID
D. L. Evans Bank	418 South Oneida	Rupert	ID
First Federal Savings Bank of Twin Falls	701 Seventh	Rupert	ID
U.S. Bank National Association	612 Fifth Street	Rupert	ID
Wells Fargo Bank, National Association	602 East Street	Rupert	ID
Bank of Idaho	135 N. Bridge Street	Saint Anthony	ID
AmericanWest Bank	1500 Main	Saint Maries	ID
AmericanWest Bank	109 College	Saint Maries	ID
U.S. Bank National Association	138 North Eighth Street	Saint Maries	ID
Bank of America, National Association	603 Shoup St	Salmon	ID
U.S. Bank National Association	501 Main Street	Salmon	ID
Wells Fargo Bank, National Association	116 N Andrews St	Salmon	ID
AmericanWest Bank	710 Superior Street, Suite C	Sandpoint	ID
Bank of America, National Association	405 North Second Avenue	Sandpoint	ID
Mountain West Bank	201 East Superior Street, Su	Sandpoint	ID
Panhandle State Bank	Third and Oak Streets	Sandpoint	ID
U.S. Bank National Association	201 Main Street	Sandpoint	ID
Washington Trust Bank	515 Pine Street, Suite D	Sandpoint	ID
Wells Fargo Bank, National Association	320 North Fourth Avenue	Sandpoint	ID
The Bank of Commerce	270 South Emerson	Shelley	ID
U.S. Bank National Association	201 West Pine Street	Shelley	ID
Wells Fargo Bank, National Association	103 South Birch St	Shoshone	ID
Ireland Bank	98 West Second South	Soda Springs	ID
U.S. Bank National Association	189 South Main	Soda Springs	ID
Keybank National Association	30 West Main	St. Anthony	ID
Wells Fargo Bank, National Association	40 South Bridge Street	St. Anthony	ID
Wells Fargo Bank, National Association	729 Main Avenue	St. Maries	ID
Idaho Independent Bank	90 South Star Road	Star	ID
Wells Fargo Bank, National Association	Boardwalk Mall	Sun Valley	ID
Sterling Savings Bank	424 South Main Street	Troy	ID
Bank of America, National Association	1040 Shoshone Drive	Twin Falls	ID
Banner Bank	1340 Blue Lakes Boulevard No	Twin Falls	ID
D. L. Evans Bank	215 Blue Lakes Boulevard Nor	Twin Falls	ID
D. L. Evans Bank	222 Main Avenue, South	Twin Falls	ID
D. L. Evans Bank	906 Blue Lakes Blvd North	Twin Falls	ID
First Federal Savings Bank of Twin Falls	383 Shoshone Street North	Twin Falls	ID
First Federal Savings Bank of Twin Falls	886 Blue Lakes Blvd North	Twin Falls	ID
First Federal Savings Bank of Twin Falls	110 Falls Avenue	Twin Falls	ID
First Federal Savings Bank of Twin Falls	148 Eastland Dr	Twin Falls	ID
Keybank National Association	103 Main Avenue, E.	Twin Falls	ID
Keybank National Association	1665 Blue Lakes Boulevard No	Twin Falls	ID
Panhandle State Bank	113 Main Avenue West	Twin Falls	ID
Panhandle State Bank	1715 Poleline Road East	Twin Falls	ID
The Farmers National Bank of Buhl	890 Shoshone Street	Twin Falls	ID
The Farmers National Bank of Buhl	1097 Blue Lakes Boulevard No	Twin Falls	ID

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### Financial Institutions Operating in Idaho

Institution	Address	City	State
U.S. Bank National Association	241 Shoshone Street North	Twin Falls	ID
U.S. Bank National Association	748 Blue Lakes Boulevard Nor	Twin Falls	ID
Washington Federal Savings and Loan Association	494 Blue Lake Blvd N	Twin Falls	ID
Washington Mutual Bank FSB	705 Blue Lakes Blvd N Suite	Twin Falls	ID
Wells Fargo Bank, National Association	1303 Addison Avenue East	Twin Falls	ID
Wells Fargo Bank, National Association	102 Main Avenue South	Twin Falls	ID
Wells Fargo Bank, National Association	1329 Filer Avenue, East	Twin Falls	ID
Wells Fargo Bank, National Association	1864 Blue Lakes Boulevard No	Twin Falls	ID
Zions First National Bank	1913 Addison Avenue	Twin Falls	ID
Zions First National Bank	1863 Blue Lakes Blvd. North	Twin Falls	ID
First Bank of Idaho, FSB	2 North Main St	Victor	ID
AmericanWest Bank	806 Bank St.	Wallace	ID
U.S. Bank National Association	528 Cedar Street	Wallace	ID
Wells Fargo Bank, National Association	419 Sixth Street	Wallace	ID
Bank of the West	34 East Main Street	Weiser	ID
Panhandle State Bank	440 E. Main Street	Weiser	ID
Wells Fargo Bank, National Association	407 State Street	Weiser	ID
Zions First National Bank	606 State Street	Weiser	ID
The Farmers National Bank of Buhl	Main and Idaho Streets	Wendell	ID
U.S. Bank National Association	15 South Idaho Street	Wendell	ID
Zions First National Bank	315 Avenue A	Wilder	ID

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**STATE OF IDAHO**  
**STATE-CHARTERED CREDIT UNIONS**  
**COMPARATIVE STATEMENT**  
**Close of Business 12/31/06 and 12/31/05**

	2006	2005	% Change
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$130,193,099	\$88,950,314	46.4%
Unsecured Credit Cards	45,218,747	43,374,289	4.3%
All Other Unsecured Loans	19,906,779	21,315,113	-6.6%
New Auto Loans	271,727,854	255,829,568	6.2%
Used Auto Loans	339,805,387	305,304,441	11.3%
First Mortgage Real Estate Loans	319,416,431	281,763,295	13.4%
Other Real Estate Loans	69,615,808	55,894,615	24.5%
Leases Receivable	0	16017	-100.0%
Other Loans (Includes Loans Held for Sales)	109,447,722	100,355,416	9.1%
Total Loans	\$1,175,138,728	\$1,063,852,754	10.5%
Less: Allowance for Loan and Lease Losses	-4,392,813	-4,774,845	-8.0%
Available for Sale Securities	30,239,608	31,870,579	-5.1%
Held-to Maturity	10,082,346	10,763,683	-6.3%
Deposits in Commercial Banks, Savings & Loans, Savings Banks	14,539,716	26,290,965	-44.7%
Membership Capital and Paid-in Capital at Corporate Credit Unions	11,081,947	10,037,266	10.4%
All Other Investments in Corporate Credit Unions	121,685,488	126,349,056	-3.7%
All Other Investments	10,166,537	7,492,956	35.7%
Total Investments	\$197,795,642	\$212,804,505	-7.1%
Other Real Estate Owned	587,837	463,408	26.9%
Land and Building (Net of Dep)	56,598,361	44,526,475	27.1%
Other Fixed Assets	7,617,040	6,716,720	13.4%
Shares Insurance Capitalization Deposit	10,491,612	9,500,147	10.4%
Other Assets	12,951,410	10,494,248	23.4%
Total Other Assets	\$88,246,260	\$71,700,998	23.1%
<b>TOTAL ASSETS</b>	<b>\$1,586,980,916</b>	<b>\$1,432,533,726</b>	<b>10.8%</b>
<b><u>LIABILITIES, SHARES AND EQUITY</u></b>			
Promissory and other Notes Payable	6,884,347	30,209,230	-77.2%
Dividends / Interest Payable	4,915,460	2,601,068	89.0%
Accounts Payable & Liabilities	14,608,083	11,940,394	22.3%
Total Liabilities	\$26,407,890	\$44,750,692	-41.0%
Share Drafts	229,375,536	225,502,020	1.7%
Regular Shares	363,231,276	395,028,693	-8.0%
All Other Shares and Deposits	825,463,650	638,617,711	29.3%
Total Shares And Deposits	\$1,418,070,462	\$1,259,148,424	12.6%
Undivided Earnings	95,365,678	86,387,251	10.4%
Regular Reserves	46,939,259	42,382,189	10.8%
Other Reserves	843,117	843,118	0.0%
Unrealized Gain/Loss A-F-S SEC	-645,490	-977,948	-34.0%
Other Comprehensive Income	0	0	0.0%
Total Equity	\$142,502,564	\$128,634,610	10.8%
Total Savings And Equity	\$1,560,573,026	\$1,387,783,034	12.5%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,586,980,916</b>	<b>\$1,432,533,726</b>	<b>10.8%</b>

**STATE OF IDAHO  
STATE-CHARTERED CREDIT UNIONS  
TOTAL ASSETS**

Name	12/31/2006	12/31/2005
<b><u>Idaho State-Chartered Credit Unions</u></b>		
<b>Boise, ID</b>		
Boise Fire Department Credit Union	5,386,661	5,665,403
Boise Valley Credit Union	774,745	700,454
E.S.A. Credit Union	5,944,352	6,059,800
Health Care Idaho Credit Union	8,641,494	9,357,600
Idaho United Credit Union	20,758,172	23,066,128
St. Alphonsus Medical Credit Union	5,069,059	4,611,058
Western Equipment Employees Credit Union	*	1,083,550
<b>Burley, ID</b>		
Cassia County Education Association Credit Union	2,981,847	3,243,861
M.A.P. Credit Union	1,487,194	1,626,771
Mini-Cassia Employees Credit Union	596,020	615,620
<b>Caldwell, ID</b>		
Cornerstone Credit Union	23,055,930	23,536,133
Simplot Employees Credit Union	19,251,541	27,547,365
<b>Coeur d'Alene, ID</b>		
Public Employees Credit Union	8,366,747	8,764,888
<b>Emmett, ID</b>		
Payette River Community Credit Union	5,929,684	6,361,502
<b>Grangeville, ID</b>		
Pine Tree Community Credit Union	21,107,131	21,842,098
<b>Heyburn, ID</b>		
Simcoe Credit Union	4,994,896	5,206,560
<b>Idaho Falls, ID</b>		
East Idaho Credit Union	178,112,180	157,905,796
Idaho Falls Teachers Credit Union	13,356,277	13,462,048
Members Preferred Credit Union	30,256,432	30,912,006
Westmark Credit Union	371,836,586	346,754,019
<b>Inkom, ID</b>		
I.C.E. Credit Union	1,636,752	1,656,159
<b>Kamiah, ID</b>		
Kamiah Community Credit Union	22,178,701	22,288,660
<b>Lewiston, ID</b>		
Clearwater Credit Union	24,786,980	26,253,977
Lewis Clark Credit Union	26,607,646	18,762,563
Lewiston Catholic Credit Union	495,416	478,858
Tribune Credit Union	708,591	703,471
<b>Menan, ID</b>		
Jefferson County Public Employees Credit Union	521,143	624,053

\* Merged with Idaho Central Credit Union – May 1, 2006

**STATE OF IDAHO  
STATE-CHARTERED CREDIT UNIONS  
TOTAL ASSETS**

Name	12/31/2006	12/31/2005
<b>Nampa, ID</b>		
Idadiv Credit Union	40,305,945	38,841,131
Northwest Christian Credit Union	27,420,572	26,228,507
Quinco Credit Union	14,861,921	12,902,963
Valley Community Credit Union	9,201,401	9,259,448
<b>Orofino, ID</b>		
Orofino Community Credit Union	**	5,533,552
<b>Pierce, ID</b>		
White Pine Credit Union	6,316,279	5,276,915
<b>Pocatello, ID</b>		
Idaho Central Credit Union	578,588,582	466,663,763
Pocahy Family Credit Union	12,758,469	12,763,700
Pocatello Simplot Credit Union	32,694,405	31,998,954
Potelco United Credit Union	50,324,844	43,270,270
<b>Shelley, ID</b>		
Shell-Fir Credit Union	939,851	975,931
<b>Saint Maries, ID</b>		
St. Joe Valley Credit Union	7,629,241	8,599,891
<b>Twin Falls, ID</b>		
Times- News Employees Credit Union	183,273	214,568
<b>Wardner, ID</b>		
Shoshone County School Employees Credit Union	900,401	913,752
<b>Total Idaho State-Chartered Credit Unions</b>	<b>1,586,967,361</b>	<b>1,432,533,746</b>
 <b>State Chartered Credit Unions Operating in Idaho</b>		
<b>Spokane, WA</b>		
Global Credit Union, Spokane WA	72,043,420	66,529,373
Horizon Credit Union, Spokane, WA	66,834,795	59,923,250
Numerica Credit Union, Spokane WA	77,793,476	58,565,221
<b>Angwin, CA</b>		
Silverado Credit Union, Angwin, CA	521,869	1,162,835
<b>Total Other State-Chartered Credit Unions</b>	<b>217,193,560</b>	<b>186,180,679</b>
<b>Total State-Chartered Credit Unions</b>	<b>1,804,160,921</b>	<b>1,618,714,425</b>

\*\* Merged with Lewis Clark Credit Union – January 31, 2006



## SECURITIES BUREAU SANCTIONS REPORT

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### *I. CIVIL ENFORCEMENT ACTIONS INITIATED OR COMPLETED UNDER THE IDAHO SECURITIES ACT/UNIFORM SECURITIES ACT*

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October 27, 2006 and  
April 27, 2007

**SHANE MICHAEL TURNER, Boise, ID** – The Idaho Department of Finance filed a lawsuit against Boise resident, Shane Michael Turner. The complaint alleged Turner sold unregistered securities and defrauded investors by misappropriating and converting investor funds to his own use. The Fourth District Court in Boise entered a judgment and permanent injunction against Turner with his consent.

Turner consented to be permanently enjoined from engaging in future violations of the Act, and agreed to limitations on his future business activities. He was also ordered to pay restitution of \$114,200 to injured investors. Earlier in 2007, Turner pled guilty to one count of felony securities fraud in Ada County District Court.

December 29, 2006

**DOUGLAS L. BAKER, Boise, ID** - The Fourth District Court in Boise entered a judgment and permanent injunction against Douglas L. Baker , a lawyer who had previously practiced law in Idaho. Baker offered and sold interests in an investment called Arizona Idaho Mining, LLC that promised returns based on gold mining activities.

The Court found that Baker committed securities fraud through misrepresentations and omissions of material facts, and ordered the repayment of \$2.6 million to investors harmed by his actions. Baker was enjoined from engaging in any omissions or misrepresentations in connection with the offer, sale or purchase of a security, and restrictions were placed on future securities activities. Finally, Baker was ordered to pay a penalty of \$360,000 to the Department.

January 16, 2007

**PHILIP GARDNER; SEASCAPE MANAGEMENT CO., LLC, Irvine, CA** - The Idaho Department of Finance filed a lawsuit against Philip Gardner and his company, Seascape Management in January, 2006 alleging violations of the Idaho Securities Act. The Department's lawsuit alleged that Gardner and Seascape sold unregistered stock in InfoSPI.com and were not registered themselves to sell securities. The lawsuit also alleged the defendants violated the anti-fraud provisions of the Act in the course of this conduct.

The Department entered into a Consent Judgment and Permanent Injunction with the Defendants wherein they neither admitted nor denied the Department's allegations and agreed to pay \$23,000 to investor.

April 23, 2007

**JACK LEE SMILEY, Coeur d'Alene, ID** - The Idaho Department of Finance filed a civil lawsuit against Smiley alleging violations of the Idaho Commodity Code and violating a previous Order issued by the Department. The earlier Order had directed Smiley to cease his activities involving Iraqi currency.

The Department's complaint alleges that Smiley has continued to sell his foreign currency investments in violation of the Idaho Commodity Code. Investors are alleged to have been told they would realize at least 33 times their investment amount when the Iraqi currency hit the world markets.

The Department's complaint asks the Court to find that Smiley has violated the Idaho Commodity Code and the June 25, 2005 Cease and Desist Order. The Department also seeks repayment to investors of \$628,000 and penalties.

May 15, 2007

**GLENN B. HENZLER, Nampa, ID; BCM ENTERPRISES, LLC** - The Idaho Department of Finance filed a civil securities lawsuit against Glenn B. Henzler and BCM Enterprises in Third District Court alleging violations of the registration and anti-fraud provisions of the Idaho Uniform Securities Act. The complaint alleges that the defendants offered and sold securities in the form of a high yield investment program with purported yields of approximately 7 percent per month or 84 percent per year.

The complaint seeks a Court order permanently enjoining the defendants from further violations of Idaho's securities laws and restrictions on their future business activities. The complaint also seeks the return of investments in excess of \$500,000 and penalties.

June 12, 2007

**ROBERT FISHER, Middleton, ID; THE BABCO GROUP, LLC** - The Department filed a civil securities action against these defendants alleging they sold investment contract securities in violation of the anti-fraud provisions of Idaho's securities laws. The complaint alleges that the defendants represented to investors that their investment proceeds would be used to purchase residential real estate and that investors would be repaid when the property was sold. The Department's lawsuit seeks a Court order permanently

enjoining the defendants from further violations of the Idaho Uniform Securities Act, placing restrictions on their future business activities and imposing penalties.

June 27, 2007

**VONDEAN RENEE KAREL, Boise, ID** – In this case, the Idaho Supreme Court addressed the Department’s statutory authority to request records from a broker-dealer agent under Section 411(d) of Idaho’s version of the Uniform Securities Act (2002). The Court found that the Department’s authority was defective under the Fourth Amendment of the Constitution. The decision focused on the previously articulated U.S. Supreme Court requirements for warrantless inspections of a regulated business’s records.

The Court held that because the Department did not have authority to request the documents which Karel had refused to provide her securities license should not have been suspended. The matter was remanded by the Court to the Department.

September 12, 2006

**MONTY AROSSA, Jerome, ID** – The Fifth District Court in Twin Falls entered a stipulated judgment and permanent injunction against Monty Arrossa. Arrossa was alleged to be involved in raising funds from investors for investment in horses with profits to be derived from the quick re-sale of those horses.

Arrossa neither admitted nor denied the Department’s factual allegations, and admitted violating the securities registration requirement. Arrossa agreed to continue making payments to investors in settlement of this action and agreed to restrictions on his future business activities.

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***II. ADMINISTRATIVE SANCTIONS & ORDERS ISSUED UNDER THE UNIFORM SECURITIES ACT***

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August 21, 2006 and  
May 21, 2007

**FRONT ROW TICKETS aka FRONT ROW EVENTS operating as FRONTROWEVENTS.COM; ANTHONY PETROELLI; SAM TAMURA; ROBERT PILLING; Alberta, Canada** – Order to Cease and Desist - The Idaho Department of Finance issued a Cease and Desist Order to these individuals and entities ordering a halt to the offer and sale of high-yield notes in

Idaho. The order alleged the Respondents engaged in the offer or sale of unregistered securities by an unregistered broker-dealer, and violated the anti-fraud provisions of the Uniform Securities Act. The order also alleged that Respondents promised returns on the notes of up to 152 percent per year.

On May 21, 2007, the Director of the Department of Finance issued a Final Order upholding and amending the Cease and Desist Order. The Final Order set forth findings of securities law violations and imposed civil penalties.

October 11, 2006

**TRANSCEND, LLC, Mason, OH** – Agreement and Order – Transcend, LLC is an Ohio company regularly engaged in the money transmission business. The Idaho Department of Finance determined that Transcend engaged in the money transmission business in Idaho at a time when it did not meet the net worth requirements of the Idaho Money Transmitters Act. Transcend agreed to surrender its money transmitter license in Idaho and cease engaging in money transmission activities in Idaho.

October 12, 2006

**DR. MICHAEL SHAW; MSM MINISTRIES, Post Falls, ID** – Consent Order to Cease and Desist – The Consent Order to Cease and Desist entered into by the Department and Respondents alleged that Shaw used his status as a minister to identify and solicit prospective investors in a book publishing scheme. Respondents neither admitted nor denied violating Idaho securities laws, but agreed to undertake repayment of investor monies, pay a civil penalty if he failed to make reasonable repayment efforts and agreed to cease violating Idaho securities laws.

December 11, 2006

**STRONG FUNDS, INC., Internet-based** – Order to Cease and Desist- The Department issued a Cease and Desist Order to this apparently fraudulent money transmission and financial services entity. It was ordered to cease violating the Idaho Financial Fraud Prevention Act by falsely holding itself out as a licensed money transmitter. The company falsely represented on its website that it was an Idaho corporation, its customer service center was located in Meridian, Idaho, and that it was a “licensed financial services provider.”

December 11, 2006

**BRUCE B. EATON; STOCKNET, LLC, Ammon, ID** – The Department, Eaton and StockNet entered into a Consent Order to Cease and Desist in which the Respondents agreed to cease violating the anti-fraud provisions of Idaho’s securities laws. The order stemmed from Eaton and StockNet’s investment strategy seminars wherein Eaton represented, among other things, that investors would make an average 50-75 percent return their first year in the market using his system.

The Respondents neither admitted nor denied the Department's allegations. Respondents agreed to 1) pay restitution to all Idaho investors who purchased memberships in or provided money to StockNet or Eaton, 2) cease soliciting memberships or investment in or from Idaho until they are in compliance with Idaho's securities laws, 3) pay a civil penalty and 4) not claim the availability of any securities exemptions without the prior consent of the Director of Finance.

May 10, 2007

**WACHOVIA CAPITAL MARKETS, Charlotte, NC** – Consent Order – This settlement is related to the April 2003 global settlement that 12 other investment banks reached with state, federal and industry regulators. The settlement results from allegations of potential conflicts of interest between Wachovia Capital Markets' research analysts and investment bankers. Wachovia is also alleged to have failed to keep certain electronic communications as required by state securities laws.

Under the terms of the settlement Wachovia agreed to pay a penalty of \$216,500 and an additional \$30,000 specifically designated for investor education.

June 27, 2007

**DAVID A. FAIRCHILD, Grangeville, ID** – Agreement and Order – The Department and Fairchild entered into this Agreement and Order to resolve issues surrounding his investment management activities. The Department alleged that Fairchild failed to register as an investment advisor and omitted to state material facts related to his investment services. Fairchild neither admitted nor denied the Department's allegations. Fairchild agreed to refund all compensation received by him in connection with his investment advisory business since 2005 and provide additional compensation to certain clients because of his inadequate disclosure of information to them. Fairchild also agreed to pay a civil penalty and restrict his use of documents such as powers of attorney.





## CONSUMER FINANCE BUREAU SANCTIONS REPORT

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### *I. ORDERS ISSUED UNDER THE IDAHO CREDIT CODE*

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December 29, 2006    **PDQ CHECK EXCHANGE LC dba MONEY 4 YOU / MR. MONEY** (Kaysville, Utah and various locations in Idaho) – Agreement and Order – Respondent was found to have engaged in violations of the Idaho Credit Code. Specifically, Respondent conducted unlicensed payday loan activity from multiple branch locations following the expiration of its payday lender licenses.

The Respondent 1) admitted to the allegations, 2) agreed to pay an administrative penalty of \$4,000.00 plus \$1,000.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Idaho Credit Code.

Respondent was reissued a payday lender license in Idaho.

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### *II. ORDERS ISSUED UNDER THE IDAHO COLLECTION AGENCY ACT*

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August 7, 2006    **RICKENBACKER GROUP, INC.** (Gilroy, California) – Agreement and Order – Respondent was found to have engaged in violations of the Idaho Collection Agency Act. Specifically, Respondent conducted collection agency activity in Idaho following the cancellation of its collection agency permit as a foreign permittee.

The Respondent 1) agreed to provide a full itemization of all collection activity conducted in Idaho without a permit, 2) agreed to pay an administrative penalty of \$4,500.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Idaho Collection Agency Act.

Respondent was reissued a collection agency permit as a foreign permittee.

September 6, 2006    **BANNOCK COLLECTIONS, INC dba BCI CHECK RECOVERY** (Pocatello, Idaho) – Second Agreement and Order – The Respondent entered into an Agreement and Order on June 7, 2006, relative to the Department’s findings that Respondent had 1) operated as a collection agency in Idaho without a permit in violation of the Idaho Collection Agency Act, 2) failed to timely remit creditor monies, 3) failed to deal

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openly, fairly, and honestly, without deception, 4) prepared false records, and 5) falsely represented itself as a financial institution. Certain stipulations within that agreement expired on August 7, 2006.

A Second Agreement and Order granted an extension to the Respondent to wind-down its operations conditioned upon the Respondent's agreement that, 1) it would pay the approximate sum of \$114,000.00 in restitution to its creditor clients, 2) it would not engage in any collection activity, and 3) it would conclude a sale of its assets by September 23, 2006.

January 5, 2007

**ACS INC OF IDAHO** (Coeur d'Alene, Idaho) – Agreement and Order – Respondent was found to have engaged in violations of the Idaho Collection Agency Act. Specifically, Respondent conducted collection agency activity in Idaho following the cancellation of its collection agency permit.

The Respondent 1) admitted to the allegations in the Order, 2) agreed to pay an administrative penalty of \$1,500.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Idaho Collection Agency Act.

Respondent was reissued a collection agency permit in Idaho.

January 12, 2007

**ZWICKER & ASSOCIATES, PC** (Andover, Massachusetts) – Agreement and Order – Respondent was found to have engaged in violations of the Idaho Collection Agency Act. Specifically, Respondent conducted collection agency activity in Idaho between February 2002 and March 2006 without first obtaining a collection agency permit as a foreign permittee to allow it to engage in collection activity in Idaho.

The Respondent 1) admitted to the allegations in the Order, 2) agreed to pay an administrative penalty of \$7,500.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Idaho Collection Agency Act.

Respondent was issued a collection agency permit as a foreign permittee.

January 17, 2007

**ARROW FINANCIAL SERVICES, LLC** (Niles, Illinois) – Agreement and Order – Respondent was found to have engaged in violations of the Idaho Collection Agency Act. Specifically, Respondent conducted collection activity in Idaho following the cancellation of its collection agency permit as a foreign permittee.

The Respondent 1) admitted to the allegations in the Order, 2) agreed to pay an administrative penalty of \$7,500.00 plus \$500.00 attorney fees

and investigative costs, and 3) agreed to comply with all provisions of the Idaho Collection Agency Act.

Respondent was reissued a collection agency permit as a foreign permittee.

January 19, 2007

**LAW OFFICES OF BENNETT & DELONEY, P.C.** (Midvale, Utah) – Agreement and Order – Respondent was found to have engaged in violations of the Idaho Collection Agency Act. Specifically, Respondent conducted collection activity in Idaho following the cancellation of its collection agency permit as a foreign permittee.

The Respondent 1) admitted to the allegations in the Order, 2) agreed to pay an administrative penalty of \$950.00 plus \$1,000.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Idaho Collection Agency Act.

Respondent was reissued a collection agency permit as a foreign permittee.

January 22, 2007

**OXFORD COLLECTION AGENCY, INC.** (Melville, New York) – Agreement and Order – Respondent was found to have engaged in violations of the Idaho Collection Agency Act. Specifically, Respondent conducted collection agency activity in Idaho following the cancellation of its collection agency permit.

The Respondent 1) admitted to the allegations in the Order, 2) agreed to pay an administrative penalty of \$1,500.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Idaho Collection Agency Act.

Respondent was reissued a collection agency permit as a foreign permittee.

February 1, 2007

**RANDALL B. WOOD, DOUG W. RAY & RAY BONILLA, dba RAY WOOD & BONILLA** (Austin, Texas) – Agreement and Order – Respondents were found to have engaged in violations of the Idaho Collection Agency Act. Specifically, Respondents engaged in collection activity in Idaho following the cancellation of their collection agency permit as a foreign permittee.

The Respondents 1) agreed to pay an administrative penalty of \$1,500.00 plus \$500.00 attorney fees and investigative costs, and 2) agreed to comply with all provisions of the Idaho Collection Agency Act.

Respondents were reissued a collection agency permit as a foreign permittee.

February 6, 2007

**NATIONAL FINANCIAL SYSTEMS, INC.** (Hicksville, New York) – Agreement and Order – Respondent was found to have engaged in violations of The Fair Debt Collection Practices Act and the Idaho Collection Agency Act while engaging in collection activity within Idaho. Specifically, as a result of a decision entered against the Respondent in the First District Court for the State of Idaho, the Department found that the Respondent violated The Fair Debt Collection Practices Act prohibitions against, 1) harassment and abuse, 2) making false and misleading statements, and 3) threatening to take actions which cannot be legally taken. Further, the Respondent violated the Idaho Collection Agency Act requirement that a permittee deal openly, fairly, and honestly without deception in the conduct of a collection agency business.

The Respondent 1) agreed to pay an administrative penalty of \$2,000.00, plus \$500.00 attorney fees and investigative costs, 2) represented that it had developed processes and procedures that preclude similar violations, and 3) agreed to comply with all provisions of the Idaho Collection Agency Act.

Respondent retains a collection agency permit as a foreign permittee.

February 27, 2007

**COHEN, POWERS AND STONE, a business entity, ADAM CONNER AND ASSOCIATES, a business entity, and RONALD JUSTICE, MARY WATERS, AND JIM RICH, individuals** (St. Louis, Missouri and Portland, Oregon) – Cease and Desist Order – The Respondents were found to have committed violations of the Idaho Collection Agency Act. Specifically, Respondents were found to have engaged in collection agency activity in Idaho without first obtaining a collection agency permit.

Respondents were ordered to immediately cease and desist from engaging in further unauthorized collection activity, and from any other violations of the Act.

March 1, 2007

**MOUNTAIN PEAKS FINANCIAL SERVICES, INC.** (Englewood, Colorado) – Agreement and Order – Respondent was found to have engaged in violations of the Idaho Collection Agency Act. Specifically, as a result of a decision entered against the Respondent in the Second District Court for the State of Idaho, the Department found the Respondent conducted collection agency activity in Idaho prior to obtaining a collection agency permit as a foreign permittee.

The Respondent 1) agreed to pay an administrative penalty of \$2,000.00, plus \$500.00 attorney fees and investigative costs, 2) represented that it had developed processes and procedures that preclude similar violations, and, 3) agreed to comply with all provisions of the Idaho Collection Agency Act.

Respondent retains a collection agency permit as a foreign permittee.

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### ***III. CIVIL ENFORCEMENT ACTIONS INITIATED OR COMPLETED UNDER THE IDAHO COLLECTION AGENCY ACT***

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June 13, 2007

**WILLIAM NEWBRY, THELMA NEWBRY, AND BANNOCK COLLECTIONS, INC** – The Sixth District Court in Bannock County, Idaho entered a stipulated judgment and permanent injunction against Defendants William Newbry, Thelma Newbry and Bannock Collections, Inc. The Defendants consented to the entry of the court’s order. The order arose from a civil lawsuit that alleged the Defendants engaged in violations of the Idaho Financial Fraud Act and Idaho Collection Agency Act.

The Defendants were permanently enjoined from engaging in future violations of the Act. Further, the Defendants were ordered to pay \$105,965 in restitution to their creditor clients and to return to their clients judgments obtained on behalf of the clients by Bannock Collections, Inc., as well as all papers, property, and accounts belonging to their creditor clients.

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### ***IV. ORDERS ISSUED UNDER THE IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT-Mortgage Companies***

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January 4, 2007

**CASTLE ROCK MORTGAGE, INC.** (Ketchum, Idaho) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act.

Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00, plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

January 16, 2007

**GMAC MORTGAGE, LLC fka GMAC MORTGAGE CORPORATION** (Fort Washington, Pennsylvania) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have engaged in unlicensed mortgage loan origination within Idaho from five unlicensed branch locations.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$15,000.00 plus \$1,500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

January 17, 2007

**MORTGAGE ASSOCIATES, L.L.C.** (Ketchum, Idaho) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

January 19, 2007

**PREFERRED FINANCIAL FUNDING, INC.** (Colton, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney

fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

January 30, 2007

**GLOBAL EQUITY LENDING, INC.** (Johns Creek, Georgia) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent 1) engaged in unlicensed mortgage loan origination within Idaho from 34 unlicensed branch locations, and 2) accepted fees that had not been fully disclosed to borrowers at the closing of 45 residential mortgage loan transactions.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$45,000.00 plus \$5,000.00 attorney fees and investigative costs, 3) agreed to pay \$9,692 in restitution for fees received by the Respondent that had not been fully disclosed to borrowers, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 2, 2007

**THE BURFORD GROUP** (Santa Ana, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 6, 2007

**SAXON MORTGAGE, INC. dba SAXON HOME MORTGAGE** (Glenn Allen, Virginia) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$17,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 6, 2007 **AMERICAN MORTGAGE SPECIALISTS, INC.** (Mesa, Arizona) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$2,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 14, 2007 **PREMIER MORTGAGE RESOURCES OF IDAHO, LLC** (Portland, Oregon) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$3,000.00, and 3) agreed to comply with all provisions of the Act and promulgated rules. On June 4, 2007, the Agreement and Order was amended to include the statement that the Respondent had voluntarily reported its non-compliance with the Act.

The Respondent retains a mortgage broker/lender license.

February 14, 2007 **MORTGAGE BROKER ASSOCIATES, INC.** (Lynnwood, Washington) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$3,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 14, 2007 **LAKEVIEW MORTGAGE, INC.** (Seattle, Washington) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted

with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 15, 2007

**LOAN NETWORK, LLC** (Renton, Washington) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$13,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 22, 2007

**ADVANCE MORTGAGE COMPANY, INC.** (Coeur d'Alene, Idaho) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 22, 2007

**SELECT MORTGAGE, INC.** (Twin Falls, Idaho) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license and to have engaged in the business of credit repair without first obtaining a permit.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$2,500.00 plus \$1,000.00 attorney

fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 22, 2007

**R C GLOBAL FINANCIAL, INC.** (San Clemente, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 23, 2007

**CASTLE ROCK FINANCIAL SERVICES, LLC dba CASTLE ROCK MORTGAGE LENDING** (Orem, Utah) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 26, 2007

**PARK PLACE FINANCIAL, LLC** (Redmond, Washington) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$7,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

February 27, 2007 **MORTGAGE FUNDING SERVICES, INC.** (American Fork, Utah) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent 1) employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license, 2) conducted mortgage loan origination activity from a locations for which it did not hold a license, and 3) failed to maintain a surety bond in an amount required by the Act.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$4,500.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

March 1, 2007 **QUICK LOAN FUNDING, INC.** (Costa Mesa, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) agreed to pay an administrative penalty of \$17,000.00 plus \$500.00 attorney fees and investigative costs, and 2) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent is no longer licensed by the Department.

March 13, 2007 **QUALIFY AMERICA, INC.** (Santa Ana, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

March 14, 2007 **BARRINGTON CAPITAL CORPORATION** (Newport Beach, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$2,000.00 plus \$500.00 attorney fees and investigative costs and, 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

March 23, 2007

**HFS MORTGAGE LLC** (Tempe, Arizona) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license under the name Suncor Financial, LLC.

March 23, 2007

**COMMUNITY LENDING GROUP, INC.** (Riverton, Utah) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$14,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

March 26, 2007

**NEW CENTURY MORTGAGE CORPORATION and HOME123 CORPORATION** (Irvine, California) – Consent Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent failed to disburse funds for closed residential mortgage loans in a timely manner due to a change in its financial condition.

The Respondent 1) consented to immediately cease engaging in mortgage advertising for, or the taking of, new residential mortgage loan applications, 2) agreed to either obtain funding for, or find placement of, closed residential loans with other lenders, and 3) consented to a period of reporting to the Department of the status of its

operations while it remained in the process of correcting the circumstances that led to the change in its financial condition.

The Respondent is no longer licensed by the Department.

March 28, 2007

**J & R LENDING dba FIRST SECURITY LENDING** (Burbank, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$3,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a Mortgage Broker/Lender license.

March 28, 2007

**INSIGHT FUNDING GROUP, INC.** (Concord, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

April 2, 2007

**COMMUNITY HOME LENDING, INC.** (Spokane, Washington) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a Mortgage Broker/Lender license.

April 3, 2007

**COMUNITY LENDING INCORPORATED** (Morgan Hill, California) – Agreement and Order – The Respondent was found to

have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

April 5, 2007

**PRIME ONE MORTGAGE CORP.** (Spokane, Washington) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$2,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

April 12, 2007

**CLEER CREEK, INC. dba FINEST AMERICAN MORTGAGE** (Henderson, Nevada) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

April 12, 2007

**STRATEGIC LENDING, LLC** (Provo, Utah) – Cease and Desist Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent engaged in mortgage loan origination activity in Idaho without first obtaining a license as required by the Act.

The Respondent was ordered to immediately cease and desist from engaging in further unauthorized mortgage brokering or lending activity and from any other violations of the Act.

April 16, 2007

**LOWES MORTGAGE, LLC** (Las Vegas, Nevada) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent is no longer licensed by the Department.

April 24, 2007

**THE MORTGAGE SOLUTION LP dba THE MORTGAGE SPECIALISTS** (Chubbuck, Idaho) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have engaged in mortgage brokering/lending activity without first obtaining a license as required by the Act and to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a Mortgage Broker/Lender license.

April 24, 2007

**MAWMAW, INC. dba HAGOOD REAL ESTATE & MORTGAGE** (Spokane, Washington) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$2,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

April 24, 2007

**CS FINANCIAL, INC.** (Beverly Hills, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the

Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$2,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

April 26, 2007

**KDL INC. dba INLAND MORTGAGE** (Spokane, Washington) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

April 30, 2007

**WEST COAST MORTGAGE, INC.** (Bellevue, Washington) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

May 9, 2007

**SAGE CREDIT COMPANY, INC. dba SAGE CREDIT** (Irvine, California) – Cease and Desist Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act and federal Regulation Z. Specifically, the Respondent 1) engaged in misrepresentations in connection with a mortgage loan through its advertising, 2) advertised in Idaho in a manner that was misleading, and 3) failed to provide disclosures in its advertising as required by both the Act and Regulation Z.

Respondent was ordered to immediately cease and desist from engaging in any further violations of the Act to include engaging in advertising that is misleading, confusing, and deceptive.

Following the issuance of the Department's Cease and Desist Order on May 24, 2007, the Respondent again conducted advertising in Idaho in the same manner thereby contravening the Department's Order. Based upon this and upon the Department's discovery that the Respondent had also employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license, on June 26, 2007, the Department issued a Complaint for Revocation or Suspension of the Respondent's mortgage broker/lender license.

On November 5, 2007, the Respondent entered into a Consent Agreement and Order with the Department to resolve violations underlying the Department's Cease and Desist Order and its Complaint for Revocation of the Respondent's mortgage broker/lender license. Through the Consent Agreement and Order, the Respondent 1) represented that it had taken the steps necessary to ensure that advertising similar to that which resulted in the Department's administrative action would not be repeated, 2) represented that it would only originate residential mortgage loans through properly licensed mortgage loan originators, 3) agreed to pay an administrative penalty of \$10,000.00 plus \$5,000.00 attorney fees and investigative costs, and 4) agreed that for twelve months following the Order it would submit for the Department's review and approval all advertisements it intended to disseminate to Idaho consumers, and 5) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

June 4, 2007

**BAY CAPITAL CORPORATION** (Owing Mills, Maryland) – Order Revoking Mortgage Broker/Lender License and Termination of Regulated Lender License – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent failed to maintain a surety bond.

The Respondent failed to file an answer to the Department's Complaint for Revocation of its mortgage broker/lender license and regulated lender license and a revocation order was subsequently issued.

June 4, 2007

**SAFEGUARD MORTGAGE, LLC** (Stamford, Connecticut) – Order Revoking Mortgage Broker/Lender License – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent failed to maintain a surety bond.

The Respondent failed to file an answer to the Department's Complaint for Revocation of its mortgage broker/lender license and a revocation order was subsequently issued.

June 4, 2007

**NFM, INC.** (Linthicum, Maryland) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$2,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

June 4, 2007

**GARTH CARLSON dba ACE MORTGAGE** (Pocatello, Idaho) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent failed to maintain a required surety bond.

The Respondent 1) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees, and 2) comply with all provisions of the Act in the future.

The Respondent is no longer licensed by the Department.

June 4, 2007

**WEST HORIZON FINANCIAL, INC.** (Kirkland, Washington) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$3,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

June 4, 2007

**LAKELAND REGIONAL MORTGAGE CORPORATION dba CENTRIC MORTGAGE/NATIONAL INVESTORS MORTGAGE** (Lakeland, Florida) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with a person who performed

loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent is no longer licensed by the Department.

June 4, 2007

**ABSOLUTE LOANS, INC.** (Diamond Springs, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent failed to maintain a required surety bond.

The Respondent 1) agreed to pay an administrative penalty of \$500.00 plus \$500.00 attorney fees, and 2) comply with all provisions of the Act in the future.

The Respondent is no longer licensed by the Department.

June 7, 2007

**EAGLE POINT MORTGAGE, LLC** (Owing Mills, Maryland) – Order Revoking Mortgage Broker/Lender License and Termination of Regulated Lender License – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent failed to maintain a surety bond.

The Respondent failed to file an answer to the Department’s Complaint for Revocation of its mortgage broker/lender license and its regulated lender license and a revocation order was subsequently issued.

June 22, 2007

**FIRST NLC FINANCIAL SERVICES, LLC dba THE LENDING CENTER** (Deerfield Beach, Florida) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) agreed to pay an administrative penalty of \$12,000.00, and 2) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

June 27, 2007

**COMMUNITY LENDING GROUP, INC.** (Riverton, Utah) – Cease and Desist Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act and federal Regulation Z. Specifically, the Respondent 1) engaged in

misrepresentations in connection with a mortgage loan through its advertising, 2) advertised in Idaho in a manner that was misleading, and 3) failed to provide disclosures in its advertising as required by both the Act and federal Regulation Z.

Respondent was ordered to immediately cease and desist from engaging in any further violations of the Act to include engaging in advertising that is misleading, confusing, and deceptive.

June 29, 2007

**CONTACT MORTGAGE, INC.** (Orem, Utah) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was found to have employed or contracted with persons who performed loan origination activities without first obtaining a loan originator license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$3,000.00 plus \$500.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a mortgage broker/lender license.

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***V. ORDERS ISSUED UNDER THE IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT—Loan Originators***

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July 14, 2006

**DEBBIE LANGER** (Marsing, ID) – Order of Denial of Mortgage Loan Originator License – The Department found cause to deny the Respondent’s application for a mortgage loan originator license. Specifically, the Department found 1) the Respondent did not demonstrate the character and fitness to warrant the belief the Respondent would operate honestly and fairly, 2) the Respondent had a license issued under the Act previously revoked, 3) the Respondent’s application for licensure was false or misleading, and 4) the Respondent’s application for licensure did not include information required.

On November 11, 2006, the Respondent requested reconsideration of its July 14, 2006, Order of Denial. Such request was not filed timely and therefore the Department filed an Order Denying Request for Reconsideration on November 29, 2006.

January 11, 2007

**ARMONDO SILVA** (Twin Falls, Idaho) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was

issued a loan originator license on January 4, 2007, but was found to have engaged in loan origination activities prior to that date without first obtaining the required license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$1,500.00 plus \$350.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

On May 9, 2007, the Department filed an Order of Revocation of Loan Originator License and Opportunity for Hearing against the Respondent's loan originator license for the Respondent's failure to pay the entire sum agreed upon in the foregoing Agreement and Order.

The Respondent is no longer licensed by the Department.

January 26, 2007

**SONYA BLACK** (Jerome, Idaho) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent was issued a loan originator license on April 25, 2006, but was found to have engaged in loan origination activities prior to that date without first obtaining the required license.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay an administrative penalty of \$3,000.00 plus \$350.00 attorney fees and investigative costs, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent retains a loan originator license.

April 2, 2007

**SUNDY MARIE PEAK** (Hammett, Idaho) – Order of Denial of Mortgage Loan Originator License – The Department found cause to deny the Respondent's application for a mortgage loan originator license. Specifically, the Department found the Respondent did not demonstrate the character and fitness to warrant the belief the Respondent would operate honestly and fairly.

June 27, 2007

**KEVIN DANIEL MCGILL** (Placerville, California) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent failed to maintain a surety bond in an amount required by the Act.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay \$500.00 attorney fees, and 3) agreed to comply with all provisions of the Act and promulgated rules.

The Respondent is no longer licensed by the Department.

June 27, 2007

**KEVIN DANIEL MCGILL** (Jerome, Idaho) – Agreement and Order – The Respondent was found to have committed violations of the Idaho Residential Mortgage Practices Act. Specifically, the Respondent failed to maintain a surety bond in an amount required by the Act.

The Respondent 1) admitted the allegations within the Order, 2) agreed to pay \$500.00 attorney fees, and 3) agreed to comply with all provisions of the Act and promulgated rules.

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***VI. CIVIL ENFORCEMENT ACTIONS INITIATED OR COMPLETED UNDER THE IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT***

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February 2007

**AMERIQUEST, ACC CAPITAL HOLDINGS CORP., TOWN AND COUNTRY CREDIT CORP., AND AMC MORTGAGE SERVICES, INC. (FORMERLY DOING BUSINESS UNDER THE NAME BEDFORD HOME LOANS) [REFERRED TO HEREIN AS “AMERIQUEST”]** (Orange, California) – In approximately March of 2007, letters were sent out by the Director of the Department of Finance and the Idaho Attorney General notifying over 900 Idahoans of the opportunity to obtain restitution payments for alleged unlawful mortgage lending practices by Ameriquest during the time period between January 1, 1999 through December 31, 2005. Over \$432,000 is expected to be received in December of 2007 by Idaho consumers who entered into loan transactions with Ameriquest during that time period. The consumer restitution notifications followed a \$325 million multi-state settlement between Ameriquest and 45 state financial regulators and the Attorneys General of 49 states and the District of Columbia. The financial regulators and Attorneys General alleged in the case that Ameriquest had (i) engaged in high-pressure sales tactics to reach monthly individual sales quotas; (ii) provided inadequate disclosure of prepayment penalties, discount points and other loan terms; (iii) made unsolicited refinancing offers that did not adequately disclose prepayment penalties; (iv) improperly influenced and inflated appraisals; and (v) encouraged borrowers to lie about income or employment to obtain loans.

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***VII. ORDERS ISSUED UNDER THE IDAHO ESCROW ACT***

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June 5, 2007

**SOUTHWEST EXCHANGE, INC. aka SOUTHWEST 1031 EXCHANGE and SOUTHWEST EXCHANGE, INC. dba ARROW 1031 EXCHANGE** (Henderson, Nevada and Boise, Idaho) –

Cease and Desist Order – The Respondents were found to have committed violations of the Idaho Escrow Act. Specifically, the Respondents 1) engaged in unlicensed escrow activity in Idaho through their operation as qualified intermediaries of § 1031 exchanges, 2) advertised escrow services while not licensed under the Act, 3) failed to carry out agreed upon escrow transactions, 4) failed to promptly distribute client funds, and 5) employed a scheme to defraud or mislead consumers.

Respondents were ordered to immediately cease and desist from engaging in further unauthorized escrow activity in Idaho, and from any other violations of the Act.

June 5, 2007

**THE RUPE COMPANIES, INC., ANN CALDWELL RUPE, President, and SEAN T. RUPE, Secretary; THE RUPE COMPANIES, INC. dba LANDTITLEESCROW.COM; and CONTRACT SERVICING, LLC** (Boise, Idaho) – Consent Cease and Desist Order – The Respondents were found to have committed violations of the Idaho Escrow Act. Specifically, the Respondents engaged in unlicensed escrow activity in Idaho.

The Respondents 1) admitted to the allegations within the Order, 2) agreed to immediately cease and desist from accepting new escrow accounts, 3) agreed to sell or transfer all escrow accounts under its control to an escrow company authorized to conduct business in Idaho, and 4) agreed to pay an administrative penalty of \$10,000.00 plus \$1,000 attorney fees.



## DEPARTMENT OF FINANCE STAFF - JUNE 30, 2007

### ADMINISTRATION

Gavin M. Gee	Director of Finance
Shirley A. Whitney	Administrative Assistant 2
A. Rene Martin	Deputy Attorney General (on assignment from AG)
Joseph B. Jones	Deputy Attorney General (on assignment from AG)
Alan Conilogue	Deputy Attorney General (on assignment from AG)
Renea Ridgeway	Paralegal (on assignment from AG)

### SUPPORTING SERVICES BUREAU

David L. Jensen	Supporting Services Bureau Chief
David S. Wentland	IT Systems Integration Analyst, Sr.
Erik P. Jorgensen	Web Developer
Dan Hoard	IT Database Analyst, Associate
Paula J. Kaptan	Personnel Technician
Jill R. Peterson-Pate	Financial Technician
Jocelyn Nash	Office Specialist 2

### FINANCIAL INSTITUTIONS BUREAU

Mary E. Hughes	Financial Institutions Bureau Chief
Nancy G. Page	Administrative Assistant 1
Bryce C. J. Baertsch	Financial Institutions Examiner, Commissioned Sr.
George L. Baker	Financial Institutions Examiner, Commissioned Sr.
Brad P. Bergquist	Financial Institutions Examiner, Commissioned Sr.
Bruce M. Eames	Financial Institutions Examiner, Commissioned Sr.
Larry D. Chandler	Financial Institutions Examiner, Commissioned
Rita R. Roach	Financial Institutions Examiner, Commissioned
Rick J. Sherrick	Financial Institutions Examiner 3*
Connie D. Newgard	Financial Institutions Examiner 3*
Mark W. Boschulte	Financial Institutions Examiner 3*
Sam F. Blake	Financial Institutions Examiner 3*
Seth J. Ruhter	Financial Institutions Examiner 3*
Andrew C. Forth	Financial Institutions Examiner 2*
Juan J. Rosado	Financial Institutions Examiner 2*
Megan L. Conrad	Financial Institutions Examiner 1*

\*underfilling Financial Institutions Examiner, Commissioned

### CONSUMER FINANCE BUREAU

Mike Larsen	Consumer Finance Bureau Chief
Karen A. Carlyle	Administrative Assistant 1
Martha (Marti) L. Cooper	Administrative Assistant 1
Tiffany N. Faylor	Administrative Assistant 1
Naomi N. Carr	Office Specialist 2
Cina S. Treese	Office Specialist 2
Anthony T. Polidori	Financial Examiner/Investigator 4
Karlyne C. (K.C.) Schaler	Financial Examiner/Investigator 4
Jo Ann Lanham	Consumer Affairs Specialist
Billie K. Havery	Financial Examiner/Investigator 2
Daniel D. Kline	Financial Examiner/Investigator 2
Erin Van Engelen	Financial Examiner/Investigator 2
Holly A. Frenette	Financial Examiner/Investigator 2
Jan L. Kochan	Financial Examiner/Investigator 2
Rich A. Dekker	Financial Examiner/Investigator 2
Tom Little	Financial Examiner/Investigator 2

**DEPARTMENT OF FINANCE STAFF - Continued**

**SECURITIES BUREAU**

Marilyn T. Chastain	Securities Bureau Chief
Katy M. Witt	Administrative Assistant 1
Ginnie L. Sorensen	Securities Technician
Mary J. Harper	Technical Records Specialist 1
Patricia R. Highley	Financial Examiner/Investigator 4
Nancy C. Ax	Financial Examiner/Investigator 2
Walter L. Bitner	Financial Examiner/Investigator 2
James A. Burns	Financial Examiner/Investigator 4
Coleen F. Hodson	Financial Examiner/Investigator 3
Timothy D. Martin	Financial Examiner/Investigator 3

**YEARS OF STATE SERVICE AS OF JUNE 30, 2007**  
*Recognizing Over 500 years of Combined Service to the State of Idaho*

Shirley A. Whitney	37.7	Years of Service
Gavin M. Gee	32.4	Years of Service
Nancy G. Page	30.9	Years of Service
Bryce C. J. Baertsch	30.8	Years of Service
Brad P. Bergquist	26.7	Years of Service
Paula J. Kaptan	25.0	Years of Service
George L. Baker	24.6	Years of Service
Katy M. Witt	23.5	Years of Service
Ginnie L. Sorensen	23.0	Years of Service
Larry D. Chandler	20.6	Years of Service
Marilyn T. Chastain	20.2	Years of Service
Jim A. Burns	20.0	Years of Service
Tim D. Martin	18.3	Years of Service
Patty R. Highley	17.7	Years of Service
Mary E. Hughes	17.4	Years of Service
Marti L. Cooper	16.2	Years of Service
Jo Ann Lanham	15.6	Years of Service
Coleen F. Hodson	14.8	Years of Service
Bruce M. Eames	13.7	Years of Service
Mike Larsen	11.9	Years of Service
Mary J. Harper	10.5	Years of Service
Billie K. Havery	10.5	Years of Service
Jill R. Peterson-Pate	10.3	Years of Service
Karlyne (K.C.) Schaler	9.5	Years of Service
Nancy C. Ax	9.3	Years of Service
Naomi N. Carr	7.5	Years of Service
Cina S. Treese	7.0	Years of Service
Tony T. Polidori	6.7	Years of Service
Mark W. Boschulte	6.2	Years of Service
Walt L. Bitner	6.1	Years of Service
Sam F. Blake	5.0	Years of Service
Karen A. Carlyle	4.9	Years of Service
Rick J. Sherrick	3.8	Years of Service
Connie D. Newgard	3.7	Years of Service
Rita R. Roach	3.5	Years of Service
Jan L. Kochan	3.0	Years of Service
Andy C. Forth	2.9	Years of Service
Seth J. Ruhter	2.8	Years of Service
Dave L. Jensen	2.7	Years of Service
Daniel D. Kline	2.4	Years of Service
Erin J. Van Engelen	2.0	Years of Service
Rich A. Dekker	2.0	Years of Service
Dave S. Wentland	1.8	Years of Service
Holly A. Frenette	1.3	Years of Service
Tiffany N. Faylor	1.3	Years of Service
Juan J. Rosado	1.2	Years of Service
Megan L. Conrad	1.2	Years of Service
Erik P. Jorgensen	1.0	Years of Service
Thomas S. Little	0.9	Years of Service
Daniel J. Hoard	0.7	Years of Service
Jocelyn C. Nash	0.4	Years of Service
	573.4	Years of Service



## **AMERICANS WITH DISABILITIES ACT COMPLIANCE**

It is the policy of the Idaho Department of Finance to comply with Title II of the Americans With Disabilities Act which mandates that no qualified individual shall be excluded from participation, denied benefits, services, or access to programs or activities, or be subjected to discrimination by any public entity.

The Department of Finance does not discriminate on the basis of disability in access to, admission to, or operation of its programs, services, or activities or in its hiring or employment practices.

Individuals who need accessible communication or other accommodations in order to participate in programs and services of the Department of Finance are invited to make their needs and preferences known to the ADA Compliance Coordinator.

Questions, concerns, complaints, or requests for additional information should be forwarded to:

ADA COMPLIANCE COORDINATOR  
DEPARTMENT OF FINANCE  
800 Park Blvd., Suite 200  
P O BOX 83720  
BOISE ID 83720-0031

Phone: (208) 332-8001  
Fax: (208) 332-8098  
TDD to Voice Relay: 1-800-377-3529

This notice is also available audibly from the ADA Compliance Coordinator.



## **CIVIL RIGHTS GRIEVANCE PROCEDURES**

The Idaho Department of Finance presents the following grievance procedure for the quick and fair investigation of discrimination complaints. Persons who feel they may have been discriminated against under conditions prohibited by law may file a complaint. The laws are those relating to nondiscrimination in the use of any of the Department's public facilities, programs or activities. These laws include protected classes of race, color, national origin, age, disability, sex and religion.

Complaints should be addressed to:

DIRECTOR OF FINANCE  
DEPARTMENT OF FINANCE  
P O BOX 83720  
BOISE ID 83720-0031

1. A complaint may be filed in writing or by cassette tape and should be submitted with the signature of the complainant.
2. The complaint should contain the name, address and telephone number of the complainant, the date of the alleged discrimination, and a description of what happened.
3. The complaint shall be filed within 90 days from the date of the alleged discrimination.
4. The Department will contact the complainant in writing within 10 working days of receiving the complaint to acknowledge receipt and relate what action the Department has taken or will take in an attempt to resolve the complaint.
5. An investigation will be conducted within 30 working days of the date the Department receives the complaint. Investigations are authorized by the Director and may be conducted by a designee. The complainant or complainant's representative may submit evidence to support the complaint.
6. The Director or the Director's designee will send a written response to the complainant regarding the results of the investigation within 30 working days of the time the investigation began.
7. If dissatisfied with the results of the investigation, the complainant may request that the case be reconsidered. The request for reconsideration shall be made in

writing or by tape to the Director of the Department of Finance within 10 days of the receipt of the Department's resolution letter.

8. The complainant may also file a complaint with the following state and federal agencies:

IDAHO HUMAN RIGHTS COMMISSION  
1109 MAIN STREET  
BOISE ID 83720-0040

THE OFFICE FOR EQUAL OPPORTUNITY  
U S DEPARTMENT OF THE INTERIOR  
WASHINGTON DC 20240

9. The Supporting Services Bureau within the Department of Finance will maintain the files and records relating to complaints for a period of three years.

EXHIBIT X

## Annual Report Credits

Project Management, Compilation, Layout, and Design.....David Jensen

Final Composite Formatting.....Bradley Bergquist

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Sam Blake, Mark Boschulte,  
Larry Chandler, Andy Forth,  
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Compilation of Securities Section.....Marilyn Chastain, Katy Witt, Jim Burns

Compilation of Consumer Finance Section.....Anthony Polidori, Mike  
Larsen, K.C. Schaler,  
Rene' Martin

Compilation of Department Financial Report.....Jill Peterson-Pate

Director.....Gavin M. Gee

Financial Institutions Bureau Chief .....Mary E. Hughes

Securities Bureau Chief.....Marilyn Chastain

Consumer Finance Bureau Chief.....Mike Larsen

Supporting Services Bureau Chief.....David Jensen