



JEFFERSON COUNTY FEDERAL CREDIT UNION

A COMMUNITY CREDIT UNION

Board Packet

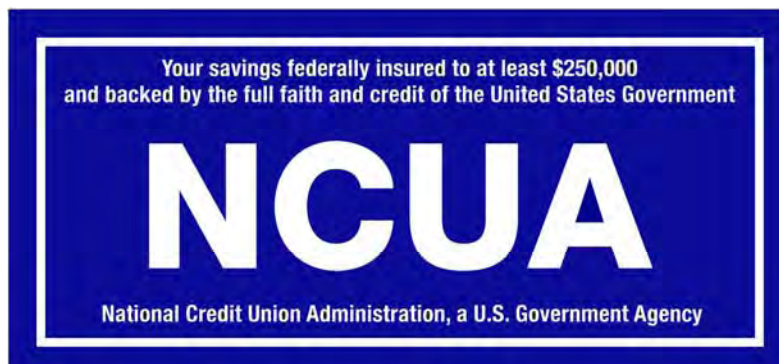


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JEFFERSON COUNTY FEDERAL CREDIT UNION

BOARD OF DIRECTORS MEETING

AGENDA

October 28, 2009

1. Approval of Minutes
 - a. September 23, 2009 - Board *
 - b. September 24, 2009 - Board *
 - c. October 14, 2009 – Board *
2. Correspondence
 - a. NCUA
 - i. 09- RA 10 * Amendments to REG Z
 - ii. 09- CU 17 * Online 5300 Report
 - iii. 09- CU 18 * Financial Trends
 - iv. EMAIL * Premium Assessment
 - v. KCFCU Notices about MC and PIC *
3. Treasurer's Report
 - a. Financial Statement *
 - b. P & L Statement Compared to Budget Monthly & Year-To-Date *
4. President's Report *
5. Senior Vice President Report – Marketing *
6. Report of Committees
 - a. Annual Meeting
 - b. Employee Grievance
 - c. Executive
 - d. Facilities
 - e. Investment and Asset Liability Management - (In President's Report)
 - f. Marketing
 - g. Membership
 - h. Nominating/Bylaws
 - i. Personnel & Policy
 - j. Planning
 - k. Policy
 - l. Risk Management
 - m. Supervisory
7. Unfinished Business
 - a.
8. New Business
 - a. Loan Officer Approval *
 - b. Investment Report Approval *
 - c.
9. Adjournment

*** Indicates Documentation Attached**

JEFFERSON COUNTY FEDERAL CREDIT UNION

MINUTES - BOARD OF DIRECTORS MEETING

DATE: September 23, 2009
TIME: 8:30 A.M.
LOCATION: Board Room – Main Office

Roll Call

William Eskridge - Chairman	(WE)	Present
Steve Schweitzer - Vice-Chairman	(SS)	Present
Wendell Wright – Treasurer	(WW)	Excused
Ed Davis - Secretary	(ED)	Present
Larry Dodson - Director	(LD)	Present
Marilynn Hettich - Director	(MH)	Present
Barbara Hays - Director	(BH)	Excused
Susan Clifton – Supv. Comm.	(SC)	Present
Stan Robinson – Supv. Comm.	(SR)	Present
Joshua Jackson – Supv. Comm.	(JJ)	Excused
Gary Fischer – Supv. Comm.	(GF)	Present
Carl Hicks - President and CEO	(CH)	Present
Gary Edelen – Sr. Vice President	(GE)	Present

Chairman Eskridge called the meeting to order at 8:30 AM.

A motion was made by SS and duly seconded by LD to approve the minutes of 08-26-09, 09-09-09 and Supervisory Committee minutes of 08-26-09. Vote Taken – Motion Carried.

All correspondence listed was discussed and explained to the Board's satisfaction by CH.

TREASURER'S REPORT

CH reported the following. The key ratios and other pertinent data for the most major areas impacted (before CUSIP & NCUA assessment and after) are compared below. Our YTD bottom line without the assessment expense is within \$4,100 of budget income or 1%. Income from overdraft fees and investments continue to be the big lagers. Loan income is lagging but beginning to catch up. Our loan growth projection increased for July which helps. There was an increase in deposits from the previous month of \$142,000 and an increase of \$8,850,000 year to date. Loan volume for the month showed a decrease of \$383,000 but net loans showed an increase of \$644,000 for the month and an increase of \$2,100,000 year to date. We will continue to closely monitor the competition and the overall operation for additional adjustments to dividend and income to benefit the members.

FINANCIAL DETAIL COMPARISON

Major Areas of Impact	REASON	BEFORE	AFTER	Difference
Assets	CU-SIP	96,224,368	121,224,368	25,000,000
Average Assets	CU-SIP	93,267,864	114,274,078	21,006,214
Investment Balance	CU-SIP	51,865,321	76,865,321	25,000,000
NET WORTH	CU-SIP	13.70%	10.88%	-2.82%
Long Term Assets	CU-SIP	22.91%	18.18%	-4.73%
Total Loans / Assets	CU-SIP	41.12%	32.64%	-8.48%
Fixed Assets	CU-SIP	1.63%	1.30%	-0.33%

INC- NET- YTD	NCUA	444,660	325,247	-119,413
Return on Average Assets	NCUA	0.72%	0.42%	-0.30%

A motion was made by MH and duly seconded by SS to approve the report as printed and presented. Vote Taken - Motion Carried.

PRESIDENT'S REPORT

CH discussed and explained all of the printed report that ultimately becomes a part of these minutes as well as the additional items enumerated below.

1. An update was given regarding NCUA assessment and how future hits might be handled particularly as it pertains to PIC at KCFCU.
2. We have filled the vacancy created in the administrative area with Leah Wilkerson and CH introduced her at the meeting
3. It was noted that to date SS and ED had committed for the KCUL annual meeting.

A motion was made by MH and duly seconded by SS to approve the entire report as printed and discussed. Vote Taken – Motion Carried.

SENIOR VICE PRESIDENT'S REPORT

GE reported that we had 71 TV and 14 radio commercials on three stations. Our business development person has been working on outside marketing and is doing some on site enrollments. It was reported that the Census bureau is hiring some folks. Our Indiana branch opened 40 new accounts so far this month. The Census Bureau people say they will hire 1,000 before year end and 5,000 in 2010. We have had brochures printed to be distributed. A motion was made by MH and duly seconded by SS to approve as printed and discussed. Vote Taken - Motion Carried.

ANNUAL MEETING COMMITTEE - No Report

EMPLOYEE GRIEVANCE COMMITTEE - No Report

EXECUTIVE COMMITTEE – No Report

FACILITIES COMMITTEE – No Report

INVESTMENT & ASSET/LIABILITY COMMITTEE - Contained in President's report.

MARKETING COMMITTEE - Contained in President's report.

NOMINATING/BYLAWS COMMITTEE – No Report

PERSONNEL & POLICY COMMITTEE – No Report

PLANNING COMMITTEE

MH advised that she had reserved Stoney River for the Board planning dinner beginning at 6:00 PM.

POLICY COMMITTEE– No Report

RISK MANAGEMENT COMMITTEE - No Report

SUPERVISORY COMMITTEE – No Report

UNFINISHED BUSINESS - None

NEW BUSINESS

A motion was made by SS and duly seconded by MH to approve the loan officer's report. Vote Taken - Motion Carried.

A motion was made by ED and duly seconded by LD to approve the Investment & Asset Liability/Committee's report. Vote Taken - Motion Carried.

A motion was made by SS and duly seconded by MH to approve a transfer of assets in process of 1 loan for \$5,600.47. Vote Taken - Motion Carried.

A motion was made by ED and duly seconded by LD to approve the loan charge off exception of 3 loans for \$10,394.64. Vote Taken - Motion Carried.

A motion was made by LD and duly seconded by MH to approve the loan charge off of 20 loans for \$67,730.60. Vote Taken - Motion Carried.

A motion was made by SS and duly seconded by LD to increase the budgeted transfer amount from September's income for ALLL by \$22,000.00. Vote Taken - Motion Carried.

A motion was made by LD and duly seconded by SS to forego the budgeted \$125.00 transfer from September's income for allowance for loan overdraft loans and transfer \$250.00 of that account back to income. Vote Taken - Motion Carried.

A motion was made by ED and duly seconded by SS to approve the dividend rates as enumerated in the President's report for the third quarter 2009 and the CIA and CCIA rates. Vote Taken - Motion Carried.

A motion was made by LD and duly seconded by SS to adjourn at 9:35 AM. Vote Taken - Motion Carried.

Chairman

Secretary

JEFFERSON COUNTY FEDERAL CREDIT UNION

MINUTES - BOARD OF DIRECTORS SPECIAL MEETING

DATE: September 24, 2009

TIME: 3:30 P.M.

LOCATION: Via Conference Call

Directors Present

William Eskridge - Chairman	(WE)
Steve Schweitzer - Vice Chairman	(SS)
Wendell Wright – Treasurer	(WW)
Ed Davis - Secretary	(ED)
Larry Dodson - Director	(LD)
Marilynn Hettich - Director	(MH)
Barbara Hays – Director	(BH)
Carl Hicks - President	(CH)

Directors Absent

None

Chairman Eskridge called the meeting to order at 3:30 P.M.

The purpose of the meeting was to discuss a loan request for Gary Fischer, account number 60082610. The request is for a \$5,000 unsecured loan. A motion was made by WW and duly seconded by ED to approve as presented and discussed. Vote Taken - Motion Carried.

A motion to adjourn at 4:00 P.M. was made by ED and duly seconded by LD. Vote Taken - Motion Carried

Chairman

Secretary

**JEFFERSON COUNTY FEDERAL CREDIT UNION
MINUTES - BOARD OF DIRECTORS SPECIAL MEETING**

DATE: October 14, 2009
TIME: 8:30 A.M
LOCATION: Holiday Inn – Hurstbourne Lane

Roll Call

William Eskridge - Chairman	(WE)	Present
Steve Schweitzer - Vice-Chairman	(SS)	Present
Wendell Wright – Treasurer	(WW)	Present
Ed Davis - Secretary	(ED)	Present
Larry Dodson - Director	(LD)	Present
Marilynn Hettich - Director	(MH)	Present
Barbara Hays – Director	(BH)	Excused
Carl Hicks – President and CEO	(CH)	Present

Chairman Eskridge called the meeting to order at 8:30 A. M. The following items were discussed and CH's report and the attachments becomes a part of these minutes.

1. **Financials** – Financials were discussed in depth particularly relating to the additional write off of paid in capital at KCFCU. Some preliminary budget discussions took place as well. The possibility of losing our DT & UR branches due to the impending mayoral change was discussed. CH advised that if this happens we should strongly consider merging the two offices as the additional rent and security expense alone will be rough with one location. The good news is we may get additional members in a more visible location in lieu of being (hidden) in the court houses. Mayoral changes may also jeopardize our health insurance connection via metro government. CH advised he had looked into Anthem coverage via KCUL and although it was not as good or cost effective as what we had it would be better than striking out on our own with 29 people.
2. **Deposit & Loan Rates** – Still very competitive in all areas.
3. **NCUA/US CENTRAL Write down** – Further perceived impairment at USC by NCUA has devaluated capital at KCFCU and actually devaluated our capital deposits there resulting in a write off of \$263,973.95 as of 09-30-09. WW inquired about the possibility of additional write offs. CH responded that he felt this was the end for 2009 but could not speak accurately for 2010.
4. **Other Meetings** – Planning 11-21-09.
5. **Staff Update** – The staff really enjoyed lunch Monday and wanted me to thank you. ED attended. A card from the staff was circulated.
6. **FED's New Credit Card Rule** – We continue to comply via a special mailing. HR 3606 was passed yesterday but there is no parallel bill in the Senate. If the Senate covers it we may get a reprieve but not until February 2010.
7. **NEW ID THEFT PROGRAM** – Is up and running. The details are available on the website as a follow up to the newsletter disclosure that went out last month. The first monthly deduction will come out 10-15-09. You must opt out if you do not want it but if you choose to opt back in there is a substantial fee and preexisting window of time.
8. **E-Statements** – We are running another promotion for the fourth quarter and giving an iPod away like last time.
9. **HV BRANCH ACTIITY** – See Below – If progress continues we may look at some sort of staff enhancement.

Current Month	2008 =	2,916	2009 =	3,067	Difference	+151
Year To Date		27,796	=	29,309	Difference	+1,513
Working Days			=	167	Difference	+8.1 Daily
10. **Fifth Third Problem** – Townsend – The letter CH sent was reviewed and it was agreed that a letter to their board of directors would be sent if we do not receive a satisfactory solution today. No word yet.
11. **IT – Fortress and Interspace** – Peak 10 is increasing the contract with Fortress by 20% including the metro ethernet line. Insight has a better alternative without any increase. We will convert our metro ethernet line to them in the near future.

12. **Staff Insurance 2010** – An update was given on 2010 cost from Metro Government. It was agreed that the credit union will continue to pick up single coverage (only) for the staff. Any additional increase will be borne by the staff member that opts for additional health coverage.
13. **Foreclosure Sale** – The sale was set for 10-13-09. Our attorneys received a Chapter XIII bankruptcy notice at 09:16 AM the morning of the 12th. We will now have to go through the bankruptcy system and then go through the sale system again.

All the above items were discussed and reviewed by the Board. There being no further business WE declared the meeting adjourned at 10:00 A.M.

Chairman

Secretary

REGULATORY ALERT

NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: September 2009
TO: Federally Insured Credit Unions
SUBJ: Amendments to REG Z
Ref. 09-RA-07
Ref. 74 Fed Reg. 36077,36101

NO.: 09-RA-10

Dear Board of Directors:

This Regulatory Alert provides additional guidance regarding the requirement for creditors to give a 45-day notice of changes in certain terms as required by recent amendment to Regulation Z. Regulatory Alert 09-RA-07, issued last month, states that creditors must provide written notice to consumers 45 days before increasing an annual percentage rate on a credit card account or making a significant change to the terms of a credit card account. The same notice must inform consumers of the right to cancel the credit card account before the increase or change goes into effect.

Regulatory Alert 09-RA-07 also states if a consumer cancels an account, the creditor is generally prohibited from applying the increase or change to the account. This Regulatory Alert clarifies that the consumer's ability to reject changes does not apply to "transactions" that occur more than 14 days after provision of the 45-day notice. 12 CFR 226.9(h)(3)(ii). The Federal Reserve Board's interim final rule does not require advance notices to contain information on this limitation on the consumer's ability to reject changes. Until this issue is clarified, NCUA believes failing to notify consumers of this consequence may cause consumer confusion and increase reputation risk. To avoid consumer confusion, NCUA recommends credit unions include the following (or similar) additional information in their 45-day advance notices to alert the consumer, if applicable:

NOTE: Even if you reject this change in terms, the new terms will be applied to any transactions on your account that occur on or after [INSERT DATE].

For additional information and examples of how the 14 days applies, see page 36101 of the Federal Register, Volume 74, section 3 of 226.9(h)(3)(ii). You may obtain a copy of Volume 74, Number 139 from this link:
<http://edocket.access.gpo.gov/2009/pdf/E9-17195.pdf>.

Should you have questions about the Regulation Z amendments or the Federal Reserve Board's interim final rule, please do not hesitate to contact your NCUA regional office or state supervisory authority.

Sincerely – Deborah Matz, Chairman

NCUA LETTERS TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: September 2009
TO: Federally Insured Credit Unions
SUBJ: Online 5300 Report

NO.: 09-CU-17

Dear Manager and Board of Directors:

On September 1, 2009, the National Credit Union Administration will transition from a software-based process to collect Report of Officials and 5300 Call Report information to a web-based system for natural person credit unions. The online system provides credit unions the opportunity to self-manage profile information, submit data, and receive information from the NCUA. It also provides credit unions the opportunity to have multiple users assist with inputting and maintaining

data. Each credit union must have at least two (2) administrators who will add, edit, and remove users for their credit union.

Information previously collected on the Report of Officials will now be collected in the Credit Union Profile. The profile also includes information formerly collected on the 5300 Call Report that infrequently changes including emergency contact information, information systems and technology, member programs and services, and CUSO information. Credit unions can begin entering their profile information on September 1, 2009. The due date for all credit unions to input and certify their profile in the online system is October 1, 2009.

The online system will be used to submit 5300 Call Reports. All Call Report data previously submitted to NCUA will be available in the online system. Credit unions will also use the online system to submit corrected Call Reports for cycles back to June 2006. Prior cycle Call Reports can be corrected using the online system starting on September 1, 2009. Credit unions can begin entering September 30, 2009 Call Report data on October 1, 2009 and it is due on October 19, 2009.

Credit unions without a computer and access to the Internet are categorized as manual filers. Manual filing credit unions will complete two forms, the NCUA Profile Form 4501A and the 5300 Call Report form, and return them to their regulator for input into the online system.

Accessing the System

All credit unions will receive a letter in late August with their initial administrator username and password to access the online system. Once this individual has logged in and completed the registration process, they can then add other users for their credit union. Credit unions will access the online system from a link on NCUA's website at: <http://www.ncua.gov/DataServices/IndexCUQuery.aspx>.

Final Date to Use Report of Officials and 5300 Software

The last day and time for credit unions to use the Report of Officials and 5300 Call Report software is **3:00 PM EDT on Thursday, August 27, 2009**. Any Call Report submissions after that time must be made through the new online system beginning Tuesday, September 1, 2009. No submissions will be accepted between August 27 and September 1. Please contact your regulator with any questions.

NCUA Hosted Webcasts and Additional Information

To assist credit unions with their transition to the online system, NCUA hosted a webcast on August 12, 2009. This webcast is archived on NCUA's website and can be viewed from the following link: <http://event.on24.com/eventRegistration/EventLobbyServlet?target=previewLobby.jsp&eventid=153687&sessionid=1&key=DA03AB6348B86BE6F08F619E1FF29C81>.

NCUA will host three more webcasts starting in September to provide additional details and answer your questions. The dates of these webcasts are September 2, 2009, September 23, 2009, and October 7, 2009. All webcasts will be held at 1:00 PM EDT. Please watch the "Upcoming Events" section of NCUA's website for registration information.

Additional information is available on NCUA's website including a Frequently Asked Questions document on the Credit Union Online webpage at the following link: <http://www.ncua.gov/DataServices/Data/5300/5300FutureCycles.aspx>.

We appreciate your cooperation in helping us improve the efficiency of our data collection program. Our Technical Customer Support Help Desk is available to answer any hardware or software questions and assist credit unions with technical concerns at 1-800-827-3255.

Sincerely – Deborah Matz, Chairman

NCUA LETTERS TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: September 2009
TO: Federally Insured Credit Unions
SUBJ: Financial Trends Jan – Jun 2009

NO.: 09-CU-18

Dear Board of Directors:

Enclosed is a report highlighting credit union financial trends for the first six months of 2009. The analysis is based on data compiled from the quarterly call reports submitted by all federally insured credit unions.

The credit union industry remains sound; however, the effect on the financial industry from the current economic environment continues to have a negative impact on credit union trends. Delinquency and net charge-offs continue to increase, especially in the real estate sector, indicating continued elevated concerns in the credit quality of loan portfolios. The credit quality of loans will remain an ongoing concern due to the weakened real estate market. The normal influx of share growth was also noted in the first half of 2009.

The loan growth in the first six months of 2009 continued to be from the real estate sector with the primary funding sources being higher cost share accounts and borrowed funds. This has been a consistent trend over the last several years and raises concern over the potential level of interest rate risk and liquidity risk should market rates rise. However, the industry is reporting a significant increase in the amount of first mortgage loans sold during the first half of 2009, which is a positive change in balance sheet risk management.

Given the current issues within the mortgage and credit markets, credit unions originating real estate loans are encouraged to remain vigilant and enforce sound underwriting practices. Credit unions with higher levels of credit, liquidity, or interest rate risk must maintain diligent risk management practices.

Sound Asset-Liability Management practices are extremely important given the uncertainty that exists related to future interest rates and economic stability. Even with the Treasury intervention to help stabilize the financial marketplace, the residual impact on interest rates and the economy in the future is unknown. Sound business planning includes maintaining flexibility in the balance sheet structure to sustain financial stability during periods of economic uncertainty.

NCUA began collecting data on loan modifications in December 2008 with the current reported amount of outstanding real estate loan modifications exceeding \$3.5 billion. Loan modifications provide a mechanism to help manage the current elevated levels of credit risk, but must be done with sound underwriting criteria and comprehensive policies and procedures. NCUA will be issuing national guidance on this topic in the coming weeks. This remains an area of emphasis for our examination staff as poor underwriting criteria and inadequate policies could lead to delay in timely collection action and underreporting of delinquency and loan losses.

Thank you for your cooperation in submitting your financial and statistical data in a timely manner.

Sincerely – Deborah Matz, Chairman

NCUA LETTERS TO CREDIT UNIONS

**NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314**

DATE: September 2009 **NO.:** 09-CU-19
TO: Federally Insured Credit Unions
SUBJ: Evaluating Residential Loan Modifications
ENCL: Supervisory Letter

Dear Board of Directors:

In response to unprecedented levels of mortgage loan defaults and foreclosures credit unions are initiating mortgage loan modification programs or other workout strategies to alleviate or minimize losses. Credit unions must take action to identify and potentially assist borrowers whose financial stress may lead to future impairment in mortgage loan performance. By proactively identifying “at risk” loans, credit unions can measure the potential impact of borrower default on net worth, assess internal liquidity available to help borrowers through loan modifications, and closely monitor the performance of these loans. Further, identifying and assisting “at risk” members before delinquency occurs may improve chances for a successful modification and reduce potential losses.

NCUA examiners were recently provided guidance in evaluating the safety and soundness of residential mortgage loan modification programs. This letter provides all federally insured credit unions with the same guidance via the enclosed Supervisory Letter.

The Supervisory Letter discusses the objectives of a loan modification program and provides NCUA field staff with guidance for evaluating whether management has made a realistic assessment of risk and exercised the proper due diligence in developing, implementing, and monitoring these inherently higher risk programs. Some of the key points addressed in the Supervisory Letter include:

- Loan modification programs will vary in sophistication depending on the size and complexity of the loan portfolio and the level of risk.
- The objectives of a residential real estate loan modification are to help members who are struggling financially to maintain ownership of their homes and to minimize the credit union's default and foreclosure costs.
- Studies suggest that lowering the monthly payment sufficiently to make it affordable in the long term, and reducing the principal balance to create greater borrower equity, may result in a more sustainable loan modification.
- Credit union management should be able to quantify how much of the mortgage loan portfolio is at risk of default and have a prudent strategy for managing or reducing the risk.
- Full and fair financial disclosure warrants separate analysis in the allowance for loan and lease losses (ALLL) for loan modifications as the risk of default is very high, even when policies and procedures are sound.

NCUA has issued several letters encouraging credit unions to work constructively with residential mortgage borrowers who may be unable to meet their contractual payment obligations. These letters, and the enclosed Supervisory Letter, provide sound practices for managing the risk associated with residential mortgage loan portfolios, including distressed mortgages.

Sincerely – Deborah Matz, Chairman

E-MAIL NOTICE – 10-02-09

2009 PREMIUM ASSESSMENT AND SEMI-ANNUAL ONE PERCENT CAPITALIZATION DEPOSIT ADJUSTMENT

On September 24, 2009, The NCUA Board approved a .15% premium assessment. NCUA will invoice for the premium at the same time it invoices for the semi-annual one percent capitalization deposit adjustment. We expect these invoices to be mailed by mid-November and the payments will be due by mid-December 2009.

Premium Assessment: NCUSIF and TCCUSF

Credit unions will be invoiced for a total assessment of .15% of insured shares at the \$250,000 level.

A premium of .1027% will be assessed to return the NCUSIF's equity to 0.30 percent.

The remaining 0.0473% will be assessed to repay a portion of the Temporary Corporate Credit Union Stabilization Fund (TCCUSF).

For credit unions less than \$50 million in assets:

$(.1027\%) \times (\text{Insured Shares @ \$250,000 level as of 12/31/2008}) = \text{NCUSIF Premium}$
 $(.0473\%) \times (\text{Insured Shares @ \$250,000 level as of 06/30/2009}) = \text{TCCUSF Premium}$

For credit unions with \$50 million or more in assets:

$(.1027\%) \times (\text{Insured Shares @ \$250,000 level as of 06/30/2009}) = \text{NCUSIF Premium}$
 $(.0473\%) \times (\text{Insured Shares @ \$250,000 level as of 06/30/2009}) = \text{TCCUSF Premium}$

Semi-Annual One Percent Capitalization Deposit Adjustments

Credit unions reporting total assets of \$50 million or greater on their June 2009 Call Reports will receive an invoice (or refund) for their one percent capitalization deposit adjustment at the new \$250,000 level.

Sincerely – Deborah Matz, Chairman



To: Member Credit Unions
From: Jim Thompson, President/CEO
Date: September 29, 2009
Re: UPDATE 7: US Central Federal Credit Union Conservatorship Action and Impact on Kentucky Corporate Federal Credit Union

Continuing to provide the most current information available regarding the impact of the US Central FCU conservatorship and associated impact to Kentucky Corporate members, Kentucky Corporate is sharing this seventh update letter.

In the September 1, 2009 letter Update 5, NCUA/U.S. Central's unaudited second quarter financials revealed estimated OTTI losses increased by another \$537 million. Kentucky Corporate felt it prudent to delay any postings of these losses until U.S. Central completed their CPA audit.

U.S. Central FCU's audited financial statements were emailed to Kentucky Corporate on the evening of Friday, September 11, 2009 at 10:44 pm ET. These audited financial statements were sent to our auditors, Deming, Malone, Livesay & Ostroff on Sunday, September 13, 2009. Our CPA firm, Deming, Malone, Livesay & Ostroff, reviewed the report and verified the entries that need to be posted. Based on U.S. Central's depletion of our capital with them, Kentucky Corporate is forced to write-down all of its retained earnings (\$2,111,290.22) to date and then write-off approximately 83.2% of our member's Paid-in Capital (PIC) (\$5,041,336.67). Kentucky Corporate is preparing a letter to be sent to each of its members affected by this action later today, with the exact amount to be debited by end of day tomorrow, September 30, 2009.

A worst case scenario is if all of Kentucky Corporate's remaining capital deposits with U.S. Central are lost, Kentucky Corporate could lose an additional \$6.682 million. As of 9/29/09, this would result in the reduction of the remaining PIC (\$1.018 million) and 31.97% of member MCS (\$5.66 million).

Under the worst case scenario, if this should happen, Kentucky Corporate will be left with an insignificant exposure to future losses. Unlike other corporate credit unions, Kentucky Corporate has invested almost exclusively with U.S. Central. We have no mortgaged-backed securities or any other investment vehicles which have been linked to losses at other retail corporate credit unions. Therefore, Kentucky Corporate has no realized or unrealized losses which may have an adverse affect to the balance sheet in the future.

We anticipate receiving the final copy of our 2008 audited financial statements from our CPA firm by next week. Once received, Kentucky Corporate will forward a copy of our CPA opinion audit to our membership.

Thank you for your continued support of Kentucky Corporate. We continue to work hard to earn your trust and safeguard your deposits with us. We look forward to getting beyond these issues so that we can get back to focusing on serving our members.

We will continue to inform you as developments arise. Please let me know how I may be of assistance in the interim. Please e-mail me at jthompson@kycorp.org or call me at (502) 459-6110 or 1-800-333-5285, ext. 200.



To: Jefferson County Credit Union
From: Jim Thompson, President/CEO
Date: September 29, 2009
Re: Paid-in Capital Depletion

In the September 29, 2009 letter Update 7, NCUA/U.S. Central's unaudited second quarter financials revealed estimated OTTI losses increased by another \$537 million. Based on U.S. Central's depletion of our capital with them, Kentucky Corporate was forced to write-down all of its retained earnings (\$2,111,290.22) to date and then write-off approximately 83.2% of our member's Paid-in Capital (PIC) (\$5,041,336.67). It is with a heavy heart that I must report the amount of the depletion of your Paid-in Capital PIC account is **\$263,973.95**. Kentucky Corporate will debit your account by end of day tomorrow, September 30, 2009. We recommend you consult with your independent auditors if you have any questions regarding the accounting treatment of these events.

It remains Kentucky Corporate's intent and responsibility to return any member's capital accounts that is written off back to its par value. The amount of time required to accomplish this goal depends greatly on the earnings requirements placed on Kentucky corporate by the NCUA's new Rules and Regulations, which should be released by year-end and effective later in 2010.

Thank you for your continued support of Kentucky Corporate. We continue to work hard to earn your trust and safeguard your deposits with us. We look forward to getting beyond these issues so that we can get back to focusing on serving our members.

We will continue to inform you as developments arise. Please let me know how I may be of assistance in the interim. Please e-mail me at jthompson@kycorp.org or call me at (502) 459-6110 or 1-800-333-5285, ext. 200.



JEFFERSON COUNTY FEDERAL CREDIT UNION

Statement of Financial Condition -- September 2009

ASSETS		LIABILITIES	
LOANS	39,522,653.95	ACCOUNTS PAYABLE	7,007.78
ASSETS IN LIQUIDATION OF LOANS - RE	0.00	MONEY ORDERS	4,365.59
ASSETS IN LIQUIDATION OF LOANS - AU	2,212.47	TRAVELERS CHECKS	0.00
REAL ESTATE LOANS - TECUMSEH	63,942.66	AMUSEMENT PARK TICKETS	183.75
		KYCUPAC - FROM MEMBERS	10.00
		DEATH CLAIMS	245,408.01
TOTAL LOANS TO MEMBERS	39,588,809.08	EMPLOYEE 401(K) PLAN	(4,505.18)
ALLOW. FOR LOAN LOSSES	(249,183.00)	INSURANCE COMPANIES	9,008.30
ALLOW. FOR OVERDRAFT LOSSES	(1,548.93)	FLOOD DETERMINATION	144.00
		RECORDING FEES - CLERK	318.00
NET LOANS	39,338,077.15	ATTORNEY FEES	10,327.00
		APPRAISALS	(675.00)
		TOTAL ACCOUNTS PAYABLE	271,592.25
FIFTH THIRD	49,310.78	DIVIDENDS PAYABLE	6,464.82
VAULT CASH	668,053.75		
CHANGE FUND - ATM MACHINE	57,810.00	CLF CU SIP NOTE PAYABLE	25,000,000.00
PETTY CASH	50.00		
CASH TOTAL	775,224.53	FEDERAL TAXES	0.00
		KENTUCKY STATE TAXES	0.00
		FEDERAL & STATE UNEMPLOY.	0.00
KENTUCKY CORPORATE FCU	15,595,039.49	OCCUPATIONAL TAXES	0.00
FEDERAL HOME LOAN BANK OF CINCINNATI	143,051.36	TAXES HELD ON DIVIDENDS	1,574.63
DEPOSITS - OTHER FINANCIAL INSTITUTIONS	34,285,000.00	ACCRUED PROPERTY TAXES	13,047.31
SHARE ONE CUSO INVESTMENT	100,000.00	PENALTIES ON PREMATURE IRA DISTR.	0.00
LOAN TO CUCKY	0.00		
CLF CU SIP INVESTMENT	25,000,000.00	TOTAL TAXES PAYABLE	14,621.94
TOTAL INVESTMENTS	75,123,090.85	ACCRUED EXPENSES	444,424.93
		TOTAL ACCRUED EXPENSES	444,424.93
ACCRUED INTEREST - LOANS	174,281.98	ACCRUED NCUSIF STABILIZATION EXPENSE	119,412.23
OTHER ACCRUED INCOME	32,739.50		
		UNAPPLIED EXCEPTIONS	34,410.35
TOTAL ACCRUED INCOME	207,021.48	TOTAL LIABILITIES	25,890,926.52
		CAPITAL	
PREPAID & DEFERRED EXPENSES	67,537.61	REGULAR SHARE ACCOUNTS	18,245,000.87
		CLUB ACCOUNTS	972,289.92
TOTAL PREPAID & DEFERRED	67,537.61	SHARE DRAFT ACCOUNTS	4,591,361.86
		CASH INVESTMENT ACCOUNTS	28,375,938.92
LAND - MAIN & OUTER LOOP OFFICE	448,100.00	CORPORATE CASH INVESTMENT	2,645,453.57
BUILDING - MAIN & OUTER LOOP OFFICE	1,547,029.32	REWARDS CHECKING	1,966,777.56
IMPROVEMENTS - MAIN OFFICE	2,357.93	IRA - ACCUMULATION ACCOUNTS	1,488,498.24
IMPROVEMENTS - BRANCH 1	1,366.97		
IMPROVEMENTS - BRANCH 2	0.00	CERTIFICATES - REGULAR	18,912,491.44
IMPROVEMENTS - BRANCH 3	0.00	CERTIFICATES - IRA	3,909,505.13
IMPROVEMENTS - BRANCH 4	0.00	CERTIFICATES - TOTAL	22,821,996.57
ACCUM. DEPR. - MAIN & OUTER LOOP OFFICE	(526,646.50)		
FURNITURE & EQUIPMENT	64,985.49	TOTAL SHARES	81,107,317.51
COMPUTER EQUIPMENT	24,764.28		
		REGULAR RESERVE	1,901,148.19
TOTAL FIXED ASSETS	1,561,957.49	RESERVE FOR CONTING.	0.00
		UNDIVIDED EARNINGS	10,957,014.11
ACCOUNTS RECEIVABLE	0.00	NET INCOME	112,136.58
DEFERRED COMPENSATION	2,173,441.76		
CAPITAL DEPOSIT - CUCKY	65,664.00	TOTAL CAPITAL	94,077,616.39
DEPOSIT - NCUSIF	656,528.04		
TOTAL OTHER ASSETS	2,895,633.80	TOTAL CAPITAL & LIABILITIES	119,968,542.91
=====			
TOTAL ASSETS	119,968,542.91		

Jefferson County Federal Credit Union

BUDGET REVIEW

September 30, 2009

	ACTUAL CURRENT	BUDGETED CURRENT	ACTUAL Y-T-D	BUDGETED Y-T-D	DIFFERENCE Y-T-D	PERCENT TOT INCOME
I N C O M E						
INTEREST ON LOANS	233,325.28	240,482.00	2,074,273.28	2,132,273.00	(57,999.72)	53.95%
INVESTMENTS	79,082.14	116,667.00	826,541.03	1,025,976.00	(199,434.97)	18.28%
INTEREST ON CLF CU SIP	19,643.70	0.00	150,602.51	0.00	150,602.51	4.54%
INSURANCE REIMB.	6,922.56	3,950.00	42,184.12	35,250.00	6,934.12	1.60%
MO & CHK FEE	371.00	425.00	3,648.67	3,825.00	(176.33)	0.09%
OVERDRAFT FEE	67,767.79	69,000.00	527,856.89	621,000.00	(93,143.11)	15.67%
WIRE TRANS. & CMO	335.50	325.00	2,285.00	2,775.00	(490.00)	0.08%
LOAN LATE FEE	5,636.89	4,400.00	43,080.74	39,600.00	3,480.74	1.30%
ATM SURCHARGE FEES	430.50	300.00	3,399.00	2,400.00	999.00	0.10%
SHARE DRAFT & ATM	1,570.25	2,475.00	16,946.64	21,975.00	(5,028.36)	0.36%
MISCELLANEOUS INC.	1,455.95	1,600.00	11,851.62	14,400.00	(2,548.38)	0.34%
LOCK BOX FEE	330.00	160.00	1,720.00	1,440.00	280.00	0.08%
ATM TRANSACTION FEE	703.00	800.00	5,164.00	7,200.00	(2,036.00)	0.16%
LOAN APPLICATION FEE	325.00	275.00	2,250.00	2,175.00	75.00	0.08%
MEMBERSHIP FEE	680.00	450.00	4,260.00	4,050.00	210.00	0.16%
C-CARD INCOME	0.00	250.00	1,795.20	1,950.00	(154.80)	0.00%
D-CARD INTERCHANGE	13,934.99	14,800.00	129,779.53	131,800.00	(2,020.47)	3.22%
TOTAL INCOME	432,514.55	456,359.00	3,847,638.23	4,048,089.00	(200,450.77)	100.00%
E X P E N S E S						
SALARIES - REGULAR	78,422.71	84,499.00	727,429.76	782,845.00	(55,415.24)	18.13%
SALARIES - OVERTIME	66.97	647.00	1,331.81	4,928.00	(3,596.19)	0.02%
CONTRACT EMPLOY.	0.00	400.00	0.00	3,600.00	(3,600.00)	0.00%
401K COSTS	3,261.41	3,661.00	32,343.62	33,874.00	(1,530.38)	0.75%
SOCIAL SECURITY TAX	5,926.39	6,514.00	54,775.16	60,264.00	(5,488.84)	1.37%
UNEMPLOYMENT TAX	104.62	475.00	5,223.46	4,275.00	948.46	0.02%
STAFF INSURANCE	15,380.42	16,200.00	129,838.52	142,200.00	(12,361.48)	3.56%
LOCAL TRAVEL	673.73	925.00	4,665.10	8,325.00	(3,659.90)	0.16%
VEHICLE MAINTENANCE	296.32	500.00	2,299.38	4,500.00	(2,200.62)	0.07%
OUT OF TOWN TRAVEL	146.55	900.00	2,629.23	8,100.00	(5,470.77)	0.03%
BOARD MEETING EXP.	589.33	1,340.00	6,143.05	12,060.00	(5,916.95)	0.14%
ASSOC. DUES & SUBSCR.	2,267.46	2,269.00	19,453.55	20,421.00	(967.45)	0.52%
OFFICE OCCUP. EXP.	13,474.38	14,138.00	121,464.04	131,276.00	(9,811.96)	3.12%
BLDG.-LAND IMPROV.	279.11	480.00	3,323.86	5,125.00	(1,801.14)	0.06%
TELEPHONE EXPENSE	1,708.27	1,842.00	14,550.41	16,578.00	(2,027.59)	0.39%
POSTAGE	4,788.60	5,900.00	42,052.68	52,200.00	(10,147.32)	1.11%
MAINT. OF EQUIP.	1,814.63	1,182.00	12,009.02	10,638.00	1,371.02	0.42%
STATIONARY & SUPP.	2,365.43	2,400.00	15,086.52	21,600.00	(6,513.48)	0.55%
INSURANCE	2,823.90	3,500.00	27,387.09	29,961.00	(2,573.91)	0.65%
DEPRECIATION - FURN.	3,283.87	3,614.00	31,363.68	34,094.00	(2,730.32)	0.76%
BANK SERVICE CHARGE	23,561.09	26,748.00	225,622.30	227,697.00	(2,074.70)	5.45%
COMPUTER EXPENSE	17,653.61	17,503.00	140,323.41	157,153.00	(16,829.59)	4.08%
EDUCATIONAL & PROM.	9,256.13	9,167.00	69,924.08	82,503.00	(12,578.92)	2.14%
LOAN SERVICING EXP.	8,744.47	6,760.00	77,173.25	59,235.00	17,938.25	2.02%
PROF. & OUTSIDE EXP.	7,228.14	10,898.00	80,665.03	98,805.00	(18,139.97)	1.67%
FEDERAL SUPERVISION	1,737.74	1,596.00	15,356.18	14,364.00	992.18	0.40%
NCUSIF INS. PREMIUM	0.00	625.00	119,412.23	5,625.00	113,787.23	0.00%
NCUSIF STABILIZATION EXPENSE	0.00	0.00	453,004.35	0.00	453,004.35	0.00%
CASH OVER & SHORT	(164.87)	100.00	322.34	900.00	(577.66)	-0.04%
COST-BORROWED FUND	14,506.80	0.00	111,219.10	0.00	111,219.10	3.35%
ANNUAL MEETING EXP.	700.00	700.00	6,300.00	6,300.00	0.00	0.16%
MISCELLANEOUS EXP.	(893.35)	3,850.00	2,659.79	34,650.00	(31,990.21)	-0.21%
TOTAL OPER. EXP.	220,003.86	229,333.00	2,555,352.00	2,074,096.00	481,256.00	50.87%
ALLOWANCE - LOAN LOSS	49,750.00	27,750.00	213,661.00	175,750.00	37,911.00	11.50%
ALLOWANCE - OVERDRAFT LOSS	(250.00)	125.00	(1,068.00)	1,125.00	(2,193.00)	-0.06%
DIVIDENDS	112,148.05	147,455.00	1,160,954.05	1,296,724.00	(135,769.95)	25.93%
(GAIN)LOSS ON INVESTMENTS	0.00	0.00	(4,367.00)	0.00	(4,367.00)	0.00%
OTHER NON OPERATING EXPENSE (INCOME)	0.00	0.00	(453,004.35)	0.00	(453,004.35)	0.00%
OTHER NON OPERATING EXPENSE (INCOME)- KY CO	263,973.95	0.00	263,973.95	0.00	263,973.95	61.03%
TOTAL EXPENSES	645,625.86	404,663.00	3,735,501.65	3,547,695.00	187,806.65	149.27%
NET INCOME	(213,111.31)	51,696.00	112,136.58	500,394.00	(388,257.42)	-49.27%
NET INCOME -						
WITHOUT NCUA ASSESSMENT	50,862.64		495,522.76			

PRESIDENT'S REPORT October 28, 2009

MEETING SCHEDULE - 2009

MONTH	DATE	DAY	TIME	TYPE	LOCATION
November	11-11-09	Wednesday	08:30 AM	Executive	Holiday Inn – Hurstbourne Lane
November	11-21-09	Saturday	09:00 AM	Planning	Main Office
November	11-25-09	Wednesday	08:30 AM	Regular	Main Office
December	12-23-09	Wednesday	08:30 AM	Regular	Main Office – No 2nd Week Mtg.

STATISTICAL REPORTS

Key Ratios, Operating Statistics, Delinquency, Loan Losses, Loan Officer Report, Suspicious Activity, and Long Term Assets, Monthly Comparison are attached for your review monthly. Delinquency Analysis, ALLL Analysis, and Doubtful Loans are available quarterly. GAP, Cash Flow, Rate Shocks, other ALM reports are available semi annually.

FINANCIAL SUMMARY FOR THE MONTH

The key ratios and other pertinent data for the most major areas impacted (before CUSIP & NCUA assessment and after) are compared below. Our YTD bottom line without the assessment expense is within \$4,900 of YTD budgeted income even with the extra funds put in the ALLL account. Loan income is lagging. Our loan and share growth have surpassed our projections but loans only made it recently accounting for the lag in income. There was a decrease in deposits from the previous month of \$850,000 leaving an increase of \$8,000,000 year to date. Loan volume for the month showed a decrease of \$324,000 and net loans showed a decrease of \$46,000 leaving an increase of \$2,100,000 year to date. We will continue to closely monitor the competition and the overall operation for additional adjustments to dividend and income to benefit the members.

FINANCIAL DETAIL COMPARISON

Major Areas of Impact	REASON	BEFORE	AFTER	Difference
Assets	CU-SIP	94,968,543	119,968,543	25,000,000
Average Assets	CU-SIP	93,456,828	115,679,050	22,222,222
Investment Balance	CU-SIP	50,123,091	75,123,091	25,000,000
NET WORTH	CU-SIP	13.66%	10.81%	-2.85%
Long Term Assets	CU-SIP	23.24%	18.40%	-4.84%
Total Loans / Assets	CU-SIP	41.69%	33.00%	-8.69%
Fixed Assets	CU-SIP	1.68%	1.33%	-0.35%
INC- NET- YTD	NCUA	495,123	112,136	-382,987
Return on Average Assets	NCUA	0.71%	0.13%	-0.58%

LOAN LOSSES FOR YOUR REVIEW – (SEE ATTACHED REPORT FOR DETAIL)

As of 10-15-09	9	20,180.08
As of 11-15-09		
As of 12-15-09		

TOTAL	9	20,180.08

LENDING ACTIVITY

RE LOANS - September 2009

DATE	NAME	ACCOUNT #	APPRAISAL	NEW MONEY	LOAN AMOUNT	EQUITY	TERM IN MONTHS	CREDIT LIMIT	APPROVED BY
9/2/09	Demichle	676450	140,000	424	96,024	112,000	180	0	CEO
9/4/09	Dunlap	634440	130,000	45,000	103,424	104,000	60	0	CEO
9/16/09	Jamison	726700	165,000	15,131	123,524	132,000	180	0	CEO
TOTAL/AVG		3	435,000	60,555	322,972	348,000	140	0	

A '0' in the equity column indicates > 80% LTV

COMMENTS: Jamison Has additional debt with us of \$184,326 on primary residence, another rental property and vehicle

INVESTMENT ACTIVITY

CD Purchases - September 2009

DATE	AMOUNT	TERM	RATE	INSTITUTION	CITY	ST	CODE
09/02/09	99,000	12	0.90%	BANK OF ASHEVILLE	ASHEVILLE	NC	1
09/08/09	100,000	12	1.02%	CLAYTON STATE BANK	KNOXVILLE	TN	2
	100,000	12	1.02%	COLLIN BANK	FRISCO	TX	2
	100,000	6	0.52%	GOLDEN CIRCLE CREDIT UNION	CANTON	OH	2
	100,000	6	0.42%	HORICON	HORICON	WI	2
	99,000	12	0.90%	EAST CAROLINA BANK	ENGELHARD	NC	1
	149,000	18	1.15%	VIST BANK	WYOMISSING	PA	1
09/09/09	99,000	18	1.15%	CITIZENS BANK OF EFFINGHAM	SPRINGFIELD	GA	2
	99,000	12	1.10%	VALLEY FIRST CREDIT UNION	MODESTA	CA	3
09/10/09	248,000	6	0.48%	HARTFORD FEDERAL CREDIT UNION	HARTFORD	CN	3
09/14/09	99,000	18	1.25%	BANK OF PUERTO RICO	SAN JUAN	PR	2
	99,000	12	0.70%	MACON BANK INC	FRANKLIN	NC	2
	99,000	12	0.71%	CAROLINA BANK	GREENSBORO	NC	2
	99,000	12	1.15%	PRIME SOUTH BANK	BLACKSHEAR	GA	2
	100,000	12	1.49%	APPLE FEDERAL CREDIT UNION	FAIRFAX	VA	2
09/15/09	100,000	12	0.90%	SEAFORD FEDERAL CREDIT UNION	SEAFORD	DE	3
09/16/09	149,000	12	1.00%	WHEATLAND BANK	NAPERVILLE	IL	3
	248,000	6	0.37%	FIRST NA BANK	DAMARISCOTTA	ME	2
09/18/09	149,000	12	0.90%	FARMERS BANK OF PROPHETSTOWN	PROPHETSTOWN	IL	1
09/21/09	99,000	12	0.90%	UNITED COMMUNTIY BANK	BLAIRSVILLE	GA	2
	148,000	12	0.85%	HAWAII PACIFIC FEDERAL CREDIT UNION	HONOLULU	HI	3
	248,000	6	0.42%	BOX ELDER COUNTY BANK	BRIGHAM CITY	UT	2
09/23/09	149,000	12	0.90%	SECURITY BANK OF MINNESOTA	ALBERT LEA	MN	2
	148,000	12	0.75%	REDDING BANK OF COMMERCE	REDDING	CA	2
09/24/09	100,000	12	1.15%	HERITAGE BANK	ERLANGER	KY	1
09/29/09	99,000	12	1.50%	HOWARD BANK	ELLIOTT CITY	MD	3
	148,000	18	0.75%	FOREMOST BANK	SIDNEY	NE	2
	149,000	18	0.96%	LIBERTY BANK OF ARKANSAS	JONESBORO	AR	1
	100,000	12	1.54%	SHORELINE CREDIT UNION	TWO RIVERS	WI	2
09/30/09	99,000	12	0.95%	UNITED COMMUNITY BANK	BLAIRSVILLE	GA	2
TOTAL	3,822,000	12	0.93%	30			

INVESTMENT ACTIVITY – FAILED BANKS

	AMOUNT	BANK	DATE	DISPOSITION
1.	None			

REAL ESTATE PROBLEM LOANS

Acct. #	Name	Address	Zip	Balance	Appraisal	Year	Pamt.	Due
1. 852730	Townsend, K.	1218 W. Woodlawn.	40215	\$24,142	\$84,500	05-06	\$244	\$2,754
1. 01-14-09 Member was laid off from a 3+ year job and had satisfactory credit when the loan was made. She is drawing unemployment. The insurance is still in force but taxes are delinquent in the amount of \$1,098 for 2008. There are no other mortgages that we are aware of. There are other taxes showing up – totaling \$5,300 that we cut checks for as loan proceeds but she converted. We have asked 5/3 to reimburse us for their errors. That will reduce our exposure to some degree and they can pursue her criminally in lieu of us having to do it. The initial foreclosure letter was authorized on 01-16-09. The PVA assessment is \$84,360. 02-23-09. 05-28-09 - The motion for judgment was filed on May 21, 2009. Pursuant to local court rules, the motion is automatically referred to the Master Commissioner for recommendation as to whether the judgment should be entered. That process can take up to 30 days. If the Master Commissioner recommends that the judge sign the order, it can take several weeks for us to receive the signed judgment, depending on the judge's docket at the time. The sale date is 10-13-09. Our attorneys received a Chapter XIII bankruptcy notice at 09:16 AM the morning of the 12 th . We will now have to go through the bankruptcy system and then go through the sale system again.								

CHECK REGISTER & ACH DEDUCTIONS

Attached for your review.

COMMENT CARDS

NONE

RECONCILIATIONS

All accounts are current and correct.

SAFE LANDING AND OVERDRAFT LOAN CHARGE OFF FOR – September 2009

NONE

SUSPICIOUS ACTIVITY REPORTS (SARS) – September 2009

1 For \$92,888.00

NCCS CORRESPONDENCE

No reply from second request sent 10-12-09.

FIFTH THIRD CORRESPONDENCE

Our correspondence to the Board of Directors evidently convinced the legal department to review their original stance. John McGarvey of M&P verbally contacted Tom Canary of M&M asking what it would take to satisfy us. The correspondence back to McGarvey is attached. This does not mean we will get anything but does indicate they are thinking about giving us something.

KCFCU ECONOMICS CONFERENCE

November 18th - \$85 Per Attendee

POTENTIAL MERGER CANDIDATE

Bramco Federal Credit Union

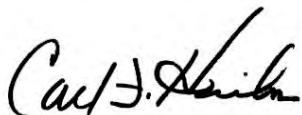
FOR YOUR INFORMATION

- ✓ **CU savings 'surprisingly' down, loans up - MADISON, Wis. (10/1/09)**--Credit union savings balances unexpectedly declined in August, while loans grew slightly, according to a Credit Union National Association (CUNA) economist's analysis of CUNA's monthly sample of credit unions. Credit union savings balances declined 0.5% in August, but grew 8.3% to \$755.1 billion during the first eight months of 2009. In August, money market accounts led savings growth with a 1.4% increase, followed by individual retirement accounts (1.2%). One-year share certificates declined 0.7%, while regular shares and share drafts declined 1.6% and 2.1%, respectively. "Credit union savings balances fell a surprisingly large 0.5% in August, reversing the surge in savings balances seen this year," Steve Rick, CUNA senior economist, told *News Now*. "We typically see a seasonal savings decline of 0.46% in August as members withdraw funds for vacations and back-to-school shopping. But we had been seeing a strong underlying trend of monthly growth in savings of around 0.8%. "Year-to-date credit union savings balances are up 8.3%, compared to a 5.8% gain for the similar period last year," he added. "Given the savings pace so far, credit unions could end up posting a 10% increase in savings balances this year, the fastest pace since the 11.3% posted in 2002." Credit union loans outstanding increased 0.7% to \$590.5 billion during August and 1.7% during the first eight months of 2009, down from a 5.1% increase during the same period in 2008. During the month, credit card loans led loan growth, rising 1.6%, followed by unsecured personal loans (1.4%) and home equity loans (1.3%). New-auto loans, used-auto loans, and other loans each increased 0.7%, while fixed-rate and adjustable-rate mortgages increased 0.6%. Other mortgages decreased 0.8%. "Loan balances grew a modest 0.7% in August, slower than the 1% pace set last August," Rick said. "Credit union members are still hesitant to take on new credit due to worries of possible job losses. The government's 'Cash for Clunkers' program did reverse a nine-month slide in new-auto lending. "Credit unions posted a 0.73% increase in new-auto loan balances in August, up from no growth last August," he added. "The program probably pulled forward new-auto demand, so we expect a sharp drop in new-auto lending for the next few months." The movement's overall capital-to-asset ratio increased to 9.9% in August. The total dollar amount of capital is \$89 billion. Credit union 60-plus-day delinquencies remained constant from July 2009 to August 2009 at 1.7%. "The credit union movement's capital-to-asset ratio climbed back over 9.9% in August, up from its recent low of 9.4% in May, but below the 11% set last August," Rick said. "Delinquent loans now stand at 1.72% of total loans outstanding as rising unemployment and falling home prices increase both default and collateral risk." The loan-to-savings ratio increased slightly to 78.2% in August 2009. The liquidity ratio--the ratio of surplus funds maturing in less than one year to borrowings plus other liabilities--decreased slightly to 19%.

BUSINESS DEVELOPMENT & MARKETING

GE will report.

Respectfully Submitted,



Carl F. Hicks
President and CEO

CATEGORY	Year End 2008	Prior Month	Current Month	Difference	Year-To-Date
Deposits	73,102,429	81,957,277	81,107,318	(849,959)	8,004,889
Regular CDs	20,987,276	19,537,565	18,912,491	(625,074)	(2,074,785)
IRA Cds	3,667,761	3,873,015	3,909,505	36,490	241,744
Total CDs	24,655,037	23,410,580	22,821,996	(588,584)	(1,833,041)
Loan Balance	37,420,917	39,571,203	39,524,866	(46,337)	2,103,949
Loans Made	15,292,094	1,640,356	1,315,528	(324,828)	13,229,308
Members	13,505	13,506	13,590	84	85
Accounts	22,685	22,679	22,750	71	65
Delinquent Percent	0.53%	0.36%	0.25%	-0.11%	-0.28%
E-Statements	1184	1423	1445	22	261
Bill Payer	1067	1202	1222	20	155
Info-Teller Inquiries	187,027	14,106	13,805	(301)	127,031
Website Inquiries	418,620	34,964	35,045	81	330,496
HB -Members Used	2,539	2,610	2,958	348	419
Overdrawn Accounts	41,820	27,830	36,520	8,690	(5,300)
CIA - #	879	874	873	(1)	(6)
CIA - \$	22,552,171	28,613,880	28,375,939	(237,941)	5,823,768
CCIA - #	41	40	40	0	(1)
CCIA - \$	1,965,519	2,579,527	2,645,454	65,927	679,935
Rewards - #	174	161	175	14	1
Rewards - \$	1,183,310	1,805,211	1,966,778	161,567	783,468
Rewards - Surcharge Ref.	854	161	192	31	1,195
Rewards - Cost	24,626	4,712	4,961	249	39,590
Regular Checking - #	4,629	4,644	4,636	(8)	7
Regular Checking - \$	4,442,852	5,112,092	4,591,362	(520,730)	148,510
TOTAL CHECKING - #	5,723	5,719	5,724	5	1
TOTAL CHECKING - \$	30,143,852	38,110,710	37,579,533	(531,177)	7,435,681
Trans - MO	56,671	4,189	4,876	687	39,101
Trans - HV	37,557	3,233	3,067	(166)	29,309
Trans - DT	31,735	2,393	2,357	(36)	21,702
Trans - UR	29,684	2,016	2,013	(3)	19,818
Trans - IN	41,619	3,198	3,348	150	29,124
Trans - INFO	12,843	929	949	20	8,983
Trans - HB	87,003	6,990	6,996	6	64,377
Trans - SB	50,510	3,926	3,731	(195)	35,350
Trans - Total YTD	347,622	26,874	27,337	463	247,764
DELINQUENCY	Number	Balance			
2 - 5 Months	12	55,839			
6 -11 Months	2	31,865			
12 Months & Over	3	10,395			
Total	17	98,099			

Monthly Statistics - Year To Date Statistics - Key Ratios - 2009

Category	%	Y/E 2008	JAN	FEB	MAR	APR	MAY	JUNE	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Assets		86,366,726	87,757,046	115,291,732	115,952,351	118,445,061	120,161,319	121,279,807	121,031,227	121,224,368	119,968,543				33,601,817
Deposits		73,102,429	74,221,189	76,665,091	77,897,382	79,968,639	81,429,411	82,233,520	81,814,646	81,957,277	81,107,318				8,004,889
Investment Balance		43,185,859	44,911,138	79,593,710	74,406,580	76,110,844	77,513,598	77,925,466	76,822,238	76,865,321	75,123,091				31,937,232
Cash Balance		1,272,429	844,738	463,448	414,159	543,487	414,191	757,540	723,186	344,449	775,324				(497,105)
Loan Balance		37,420,917	37,527,807	36,810,817	37,093,747	37,746,402	38,162,336	38,042,024	38,926,382	39,571,203	39,588,809				2,167,892
Loans Made		1,209,689	942,195	1,167,548	1,278,928	1,684,003	1,739,015	1,438,494	2,023,241	1,640,356	1,315,528				13,229,308
Members		13,505	13,485	13,489	13,499	13,509	13,503	13,508	13,500	13,506	13,590				85
Accounts		22,685	22,657	22,662	22,686	22,700	22,673	22,679	22,674	22,679	22,750				65
DEL - 2-5 Months		187,983	206,403	198,613	84,134	85,713	57,379	47,514	55,324	95,257	55,839				(132,144)
DEL - 6-11 Months		3,866	12,249	37,000	20,065	26,770	50,359	33,977	41,868	31,967	31,865				27,999
DEL - 12 Months & >		8,033	8,033	7,618	7,307	7,187	7,003	6,883	5,743	15,482	10,395				2,362
Delinquent Amount		199,882	226,685	243,231	111,506	119,670	114,741	88,374	102,935	142,706	98,099				(101,783)
Delinquent Percent	< 1.30%	0.53%	0.60%	0.66%	0.30%	0.32%	0.30%	0.23%	0.26%	0.36%	0.25%				-0.29%
Info-Teller		15,573	14,471	14,026	14,203	14,022	14,102	14,025	14,271	14,106	13,805				127,031
Website Inquiries		39,072	36,609	38,039	40,863	39,223	38,299	34,150	33,304	34,964	35,045				330,496
Bill Payer		1,067	1,088	1,106	1,124	1,144	1,158	1,171	1,190	1,202	1,222				155
E-Statements		1,184	1,217	1,242	1,260	1,306	1,326	1,357	1,396	1,423	1,445				261
Home Branch Access		2,539	2,543	2,584	2,596	2,615	2,615	2,570	2,596	2,610	2,958				2,958
Overdrawn Accounts		41,820	21,551	12,723	26,923	34,167	26,835	34,632	28,764	27,830	36,520				36,520
Share Bal. \$5,000 & <		8,909,888	9,548,838	10,195,480	9,577,336	9,438,864	9,759,495	9,312,113	9,604,156	9,395,745	9,015,545				
INC - Loans YTD		2,695,524	234,871	444,153	674,907	899,289	1,134,956	1,362,513	1,602,076	1,840,948	2,074,273				
INC - Investments YTD		1,524,870	110,862	226,397	311,135	413,883	502,311	588,222	667,880	747,459	826,541				
INC - Other YTD		1,121,675	82,079	146,008	253,573	360,070	471,828	588,767	714,845	826,717	946,824				
INC - Total YTD		5,342,069	427,812	816,558	1,239,615	1,673,242	2,109,095	2,539,502	2,984,801	3,415,124	3,847,638				
EXP - ALLL YTD		244,000	22,111	40,611	64,661	92,411	92,411	126,911	145,411	163,911	213,661				
EXP - ALLL - OD YTD		978	125	250	(1,068)	(943)	(818)	(1,068)	(943)	(818)	(1,068)				
EXP - Dividend YTD		2,043,551	140,439	264,076	403,499	534,086	670,250	800,594	925,560	1,048,806	1,160,954				
EXP - Operating YTD		2,500,742	205,842	425,323	1,111,678	1,344,317	1,618,494	1,440,870	2,113,551	2,335,348	2,555,352				
EXP -(G)/L on Invest. YTD		(2,538)	0	0	0	(4,367)	(4,367)	(4,367)	(4,367)	(4,367)	(4,367)				
Other Non Operating (Income)		0	0	0	0	0	0	0	(453,004)	(453,004)	(189,030)				-
EXP - Total YTD - \$		4,786,733	368,517	730,260	1,578,770	1,965,504	2,375,970	2,362,940	2,726,208	3,089,876	3,735,502				
INC- NET- YTD		555,336	59,295	86,298	(339,155)	(292,262)	(266,875)	176,562	258,593	325,248	112,136				
Operating Exp. YTD - %	< 5.00%	2.91%	2.84%	2.51%	4.18%	3.69%	3.48%	2.55%	3.17%	3.04%	2.95%				
Net Interest Margin / AA	> 3.00%	2.53%	2.83%	2.40%	2.19%	2.14%	2.08%	2.03%	2.02%	2.01%	2.01%				
Return on Average Assets	0.70%	0.65%	0.82%	0.51%	-1.28%	-0.80%	-0.57%	0.31%	0.39%	0.42%	0.13%				
Net Worth - \$		12,883,162	12,914,457	12,944,460	12,511,091	12,565,901	12,591,287	13,034,724	13,116,755	13,183,410	12,970,299				
Total Resv. / Curr. Assets	> 9.00%	14.92%	14.72%	11.23%	10.79%	10.61%	10.48%	10.75%	10.84%	10.88%	10.81%				
Average Assets - \$		85,989,400	87,061,886	101,524,389	106,333,710	109,361,548	111,521,502	113,147,886	114,274,078	115,142,864	115,679,050				
Net Charge Off - \$		220,359	0	0	52,684	0	0	63,792	0	0	57,449				173,925
Net Charge Off / AA - %	< .45%	0.26%	0.00%	0.00%	0.05%	0.00%	0.00%	0.06%	0.00%	0.00%	0.05%				0.16%
Long Term Assets - \$		21,264,716	20,603,600	19,922,004	19,821,392	20,320,411	20,698,440	21,282,060	21,684,847	22,042,663	22,069,746				
Net Long Term Asset /A - %	< 35.00%	24.62%	23.48%	17.28%	17.09%	17.16%	17.23%	17.55%	17.92%	18.18%	18.40%				
Total Loans / Assets - %	< 90.00%	43.33%	42.76%	31.93%	31.99%	31.87%	31.76%	31.37%	32.16%	32.64%	33.00%				
Share Growth - %	7.00%	13.28%	1.53%	4.87%	6.56%	9.39%	11.39%	12.49%	11.92%	12.11%	10.95%				
Loan Growth - %	4.00%	8.14%	0.29%	-1.63%	-0.87%	0.87%	1.98%	1.66%	4.02%	5.75%	5.79%				
CD Deposits - \$		24,655,037	24,179,789	23,693,423	23,810,493	23,681,190	23,244,206	23,323,931	23,239,953	23,410,580	22,821,997				
Share Deposits - \$		48,447,392	50,041,400	52,971,668	54,086,889	56,287,449	58,185,205	58,909,589	58,574,693	58,546,697	58,285,321				
Loan To Total Share - %		77.24%	74.99%	69.49%	68.58%	67.06%	65.59%	64.58%	66.46%	67.59%	67.92%				
Loan To Total Deposit - %		51.19%	50.56%	48.02%	47.62%	47.20%	46.87%	46.26%	47.58%	48.28%	48.81%				
Fixed Assets - \$		1,641,838	1,635,009	1,625,166	1,615,323	1,607,550	1,597,931	1,588,312	1,578,693	1,571,450	1,591,957				
Fixed Assets - %	< 5.00%	1.90%	1.86%	1.41%	1.39%	1.36%	1.33%	1.31%	1.30%	1.30%	1.33%				

ALM - REAL ESTATE LOAN BREAKDOWN
September 2009

	Year	Count	Balance	Monthly Installments	Amount to Reprice In 3 Years
CU Channels		2	64,025.91		64,025.91
Variable Rate		21	486,459.44		486,459.44
Maturities of 3 Years & Less	2009-2012	29	249,293.98		249,293.98
Maturities of 4 Years	2013	20	401,608.42		401,608.42
Maturities of 5 Years	2014	26	531,328.53		531,328.53
Maturities of 6 Years	2015	19	601,285.13		601,285.13
Maturities of 7 Years	2016	22	955,071.85		955,071.85
Maturities of 8 Years	2017	21	740,193.30	10,280.31	185,045.58
Maturities of 9 Years	2018	47	2,132,595.57	27,376.51	492,777.18
Maturities of 10 Years	2019	25	1,018,437.52	11,762.35	211,722.30
Maturities of 11Years	2020	26	1,529,168.49	17,204.37	309,678.66
Maturities of 12Years	2021	45	2,079,262.55	21,382.29	384,881.22
Maturities of 13Years	2022	55	3,785,036.38	36,235.36	652,236.48
Maturities of 14Years	2023	66	5,304,050.53	47,519.15	855,344.70
Maturities of 15Years	2024	64	5,165,594.91	43,197.62	777,557.16
Maturities of 16-19 Years	2025	0	0.00	0.00	0.00
Maturities of > Than 20 Years					0.00
		488	25,043,412.51		7,158,316.54
Net Long Term Loans			17,885,095.97		
Fixed Assets			1,561,957.49		
NCUSIF Deposit			656,528.04		
LLC			500.00		
Deferred Compensation			1,800,000.00		
CUSO Investments			165,664.00		
Total Long Term Assets			22,069,745.50		

LOAN OFFICERS REPORT 2009
JEFFERSON COUNTY FEDERAL CREDIT UNION

September , **2009**

Loans Approved	228	\$1,255,632.15
Credit Limits Approved * includes updates & increases	6	\$27,500.00
Loans Disbursed	233	\$1,308,314.84
Indirect Lending	15	\$192,619.03
Equity Checks	5	\$9,254.00
Tecumseh Mortgages	0	\$0.00
Universal Approved Loans (100% Real Estate Loans)	1	\$32,633.08
Requests Denied	63	\$568,208.50

J. Kevin Lush
Preparer

October 8, 2009
Date

**RECOMMENDED LOAN CHARGE OFF
FOURTH QUARTER 2009**

ACCOUNT NUMBER	MEMBER NAME	CURRENT BALANCE	LOAN SUFFIX	LOAN TYPE	MDR	AUDR	DATE PAID	DATE DUE	MEMBER GROUP	LOAN OFFICER	Comments	REASON
738090	Richard Mix	\$2,340.60	5	Open End	52%	53%	07/09/09	08/05/09	Collins Chevy	KL	Moved to Indianapolis - ABL	Employed & RTP
749900	Ronald Morris	\$2,911.98	4	Note	31%	31%	07/02/09	08/05/09	Louisville Metro	KL	Sending to ABL For Suit	Unemployed
758160	Joshua Emily	\$2,537.57	1	Note	0%	8%	06/26/09	07/05/09	Unspecified	PD	Sending to ABL For Suit	Employed & RTP
768400	Shelia Bennett	\$1,762.38	5	Open End	7%	7%	08/21/09	08/05/09	Regional Airport Auth	TW	Sending to ABL For Suit	Unemployed
819090	Terry Thomas	\$1,915.72	5	Open End	22%	29%	07/20/09	08/05/09	Burns Janitorial	GSE	Sending to ABL For Suit	Unemployed
820020	Christina Wright	\$1,510.90	4	Note	28%	29%	07/16/09	07/05/09	Dayton Walther	TW	Sending to ABL For Suit	Skip - RTP
838580	Arthur Haydon	\$2,186.32	1	Other	20%	20%	06/19/09	05/05/09	Place Of Residence	TW	Sending to ABL For Suit	Def Balance - Unemployed
890330	Michelle Mucker	\$4,893.20	1	Note	30%	33%	08/03/09	08/05/09	Place Of Residence	KL	Sending to ABL For Suit	Employed & RTP
700202195	Patricia Wiseman	\$121.41	3	Note	21%	28%	08/03/09	08/05/09	Census Bureau	PD	Sending to ABL For Suit	Skip - RTP
TOTALS	For October	\$20,180.08	9									

TOTAL	For November	\$0.00	0									
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TOTAL	For December	\$0.00	0									
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TOTAL ACCOUNTS 9

TOTAL FOR QUARTER \$20,180.08

SAR

September

2009

Suspicious Activity Report

[illegible]

Total Activities =	1
Total Dollar Amount =	\$ 92,888.00

By:
Date:

OHIO
SUITE 2320, KROGER BUILDING
1014 VINE STREET
CINCINNATI, OHIO 45202-1116
(513) 381-4888

WEST VIRGINIA
SUITE 701 MORRIS BUILDING
845 FOURTH AVENUE
HUNTINGTON, WEST VIRGINIA 25701-1442
(304) 525-1185

MAPOTHER & MAPOTHER, P.S.C.
815 WEST MARKET STREET, SUITE 500
LOUISVILLE, KENTUCKY 40202-2654
(502) 587-5400
FAX: (502) 587-5444
www.mapother-atty.com

KENTUCKY
MAIN OFFICE
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LOUISVILLE, KENTUCKY 40202-2654
(502) 587-5400

SUITE 340
300 EAST MAIN STREET
LEXINGTON, KENTUCKY 40507-1543
(859) 253-0003

Mr. Carl F. Hicks, Jr.
President & CEO
Jefferson County Federal Credit Union
9600 Ormsby Station Road
Louisville, Kentucky 40223

October 16, 2009

RE: Jefferson County Federal Credit Union
vs. Townsend, Kimberly J.
Claim against Fifth Third Bank

Dear Carl:

Enclosed please find a copy of a letter that I sent today to John McGarvey of Morgan & Pottinger responding to his request for information. Please let me or Tom know if you have any questions.

Thanks,



Kyle B. Williams
Attorney at Law

KPW/

xc: Thomas L. Canary, Jr.
Merv Warren

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Hon. John T. McGarvey
Morgan & Pottinger, P.S.C.
601 West Main Street
Louisville, Kentucky 40202

*Via facsimile (502) 585-3498
and U.S. Mail*

October 16, 2009

RE: Jefferson County Federal Credit Union v.
Fifth Third Bank
Kimberly Townsend Checks

Dear Mr. McGarvey:

Mr. Canary is out of town and in the interest of time he has asked me to write to respond to your question regarding the damage to the Jefferson County Federal Credit Union as a result of the improper clearing of the checks by Fifth Third Bank. The checks were issued in connection with the closing of a real estate loan. The checks were drawn jointly to Kimberly Townsend and various creditors as follows:

Check	Issue Date	Payee	Amount
16176	7/3/06	Kimberly Townsend & Collection (Hollywood Video)	\$70.00
16181	7/3/06	Kimberly Townsend & Credit Report Assoc.	\$159.00
16170	7/3/06	Kimberly Townsend & Capital One	\$709.00
16180	7/3/06	Kimberly Townsend & Money Now Ky.	\$66.00
16179	7/3/06	Kimberly Townsend & Merchants Ad	\$77.00
16177	7/3/06	Kimberly Townsend & Merchants Ad	\$101.00
16185	7/3/06	Kimberly Townsend & Credit Clearing House	\$261.00
16189	7/3/06	Kimberly Townsend & Credit Clearing House	\$150.00
16188	7/3/06	Kimberly Townsend & Credit Clearing House	\$72.00

16178	7/3/06	Kimberly Townsend & GLA Collections	\$564.00
16183	7/3/06	Kimberly Townsend & GLA Collections	\$105.00
16175	7/3/06	Kimberly Townsend & GLA Collections	\$110.00
16187	7/3/06	Kimberly Townsend & Credit Clearing House	\$324.00
16186	7/3/06	Kimberly Townsend & Credit Clearing House	\$790.00
16190	7/3/06	Kimberly Townsend & Metro Finance	\$133.00
16182	7/3/06	Kimberly Townsend & GLA Collections	\$1,978.00
16184	7/3/06	Kimberly Townsend & Credit Clearing House	\$600.00
17363	9/19/06	Kimberly Townsend & American Tax Funding	\$1,401.19
16172	7/3/06	Kimberly Townsend & Jefferson County Clerk	\$1,715.29
TOTAL			\$9,385.48

These accounts were required to be paid as a condition to making the loan. Of those checks, two (Nos. 17363 and 16172) were drawn jointly to Ms. Townsend and property tax lienholders. Another (No. 16190) was made payable to the Louisville Metro Government Finance Department for civil penalties due for a violation of the Nuisance Code. Payment of those taxes and the penalties were required to ensure the priority of the Credit Union's mortgage. Copies of the checks are attached to this letter.

Checks 16176, 16181, 16170, 16180, 16179 and 16177 were presented to 5/3 by Ms. Townsend and cashed without endorsement. The remaining checks were presented by Ms. Townsend and cashed with her endorsement only. Since she pocketed the cash, the debts, including the taxes and civil penalty were not paid. Therein lies the problem.

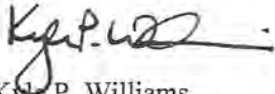
The loan is now in foreclosure. The 2003 and 2005 county real estate taxes are still unpaid and now constitute liens prior and superior to the Credit Union's mortgage. Additionally, the civil penalty lien is unpaid and also constitutes an encumbrance on the property superior to the Credit Union's mortgage lien. Those amounts will be paid ahead of the Credit Union's mortgage from the foreclosure sale proceeds.

The 2003 taxes are presently due in the total \$2,729.76 through October 31, 2009 with interest accruing at \$14.01 per month. The 2005 taxes total \$2,537.98 through October 31, 2009 with interest accruing at \$20.82 per month. As you can see, the amount due on these tax obligations has increased due to accumulated interest. The additional interest totals \$2,151.26.

Therefore, since the debts and tax liens remain unpaid, our client's demand for reimbursement of the amounts paid under the checks and the additional amounts due toward the taxes. These amounts total \$11,536.74, which represents the amounts of the checks (\$9,385.48), plus the

amount of the additional interest on the unpaid taxes (\$2,151.26). Should you have any other questions regarding this matter, please contact me or Mr. Canary.

Sincerely,

A handwritten signature in black ink, appearing to read "Kyle P. Williams", with a stylized flourish at the end.

Kyle P. Williams
Attorney at Law

Enclosures:

xc: Carl F. Hicks, Jr.
Thomas L. Canary, Jr.

SEPTEMBER 2009

OPERATING ACCOUNT GL #733000 PAYOUTS

Check #	Amount	Date	Payable To:	Reason
9006	44.00	9/1/2009	POSTMASTER	POSTAGE
9007	0.00	9/1/2009	JEFFERSON COUNTY CLERK	REPO EXPENSE
9008	1,339.80	9/1/2009	ALLIED SOLUTIONS GAP	GAP INSURANCE
9009	2,009.18	9/1/2009	PHOENIX UNERWRITING MGRS	INSURANCE
9010	5,826.25	9/1/2009	MINNESOTA MUTUAL	100% R E LOANS
9011	90.00	9/1/2009	COSTCO	DUES/SUBSCRIPTIONS
9012	30.00	9/1/2009	CUMMINS-ALLISON CORP	EQUIPMENT MAINTENANCE
9013	211.00	9/2/2009	CRAIG & LANDRETH	INDIRECT LENDING
9014	284.00	9/2/2009	CROSS MOTORS	INDIRECT LENDING
9015	225.00	9/2/2009	OXMOOR TOYOTA	INDIRECT LENDING
9016	260.00	9/3/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9017	32.00	9/3/2009	BRECKINRIDGE COUNTY CLERK	ONE LEIN RECORDING
9018	17.00	9/3/2009	BRECKINRIDGE COUNTY CLERK	ONE LEIN RECORDING
9019	27.50	9/3/2009	BRECKINRIDGE COUNTY CLERK	ONE LEIN RECORDING
9020	70.22	9/3/2009	FIRST SERVICE GROUP	INSURANCE
9021	1,277.33	9/3/2009	AMERICAN HERITAGE	INSURANCE
9022	164.26	9/3/2009	PROFESSIONAL INSURANCE CO	INSURANCE
9023	852.98	9/3/2009	LIFE INVESTORS INSURANCE	INSURANCE
9024	662.25	9/3/2009	DIRECT RESPONSE	INSURANCE
9025	160.00	9/4/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9026	32.00	9/4/2009	MEADE COUNTY CLERK	ONE LEIN RECORDING
9027	3,856.65	9/4/2009	KYCUL SERVICES, INC	THEME PARK TICKETS
9028	25.00	9/8/2009	PHILLIP MCELROY	DECEASED ACCOUNT
9029	193.00	9/8/2009	BYERLY FORD NISSAN, INC	INDIRECT LENDING
9030	135.00	9/9/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9031	32.00	9/9/2009	JEFFERSON COUNTY CLERK	ONE LEIN RECORDING
9032	32.00	9/9/2009	JEFFERSON COUNTY CLERK	ONE LEIN RECORDING
9033	13.00	9/9/2009	JEFFERSON COUNTY CLERK	LEIN RELEASE
9034	135.00	9/9/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9035	135.00	9/9/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9036	32.00	9/9/2009	JEFFERSON COUNTY CLERK	ONE LEIN RECORDING
9037	13.00	9/9/2009	JEFFERSON COUNTY CLERK	LEIN RELEASE
9038	22.00	9/9/2009	BULLITT COUNTY CLERK	ONE LEIN RECORDING
9039	22.00	9/9/2009	OLDHAM COUNTY CLERK	ONE LEIN RECORDING
9040	235.00	9/9/2009	CROSS MOTORS	INDIRECT LENDING
9041	65.00	9/9/2009	TODD ISENBERG	INDIRECT LENDING
9042	13.00	9/9/2009	JEFFERSON COUNTY CLERK	LEIN RELEASE
9043	12.00	9/10/2009	CRAWFORD COUNTY RECORDER	LEIN RELEASE
9044	32.00	9/10/2009	JEFFERSON COUNTY CLERK	ONE LEIN RECORDING
9045	135.00	9/10/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9046	150.00	9/10/2009	SATURN OF LOUISVILLE	INDIRECT LENDING
9047	2,209.97	9/10/2009	ESTATE OF SHIRLEY NICHOLS	DECEASED ACCOUNT
9048	73.50	9/10/2009	WASHINGTON NATIONAL	INSURANCE
9049	221.00	9/11/2009	SATURN OF LOUISVILLE	INDIRECT LENDING
9050	146.00	9/11/2009	OXMOOR TOYOTA	INDIRECT LENDING
9051	13.00	9/11/2009	SPENCER COUNTY CLERK	LEIN RELEASE
9052	65.00	9/11/2009	JEFFERSON COUNTY CLERK	FIVE LEIN RECORDING
9053	135.00	9/11/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9054	32.00	9/11/2009	JEFFERSON COUNTY CLERK	ONE LEIN RECORDING
9055	131.07	9/14/2009	INDUSTRIAL DISPOSAL	BLDG/LAND MAINTENANCE
9056	1,866.00	9/14/2009	COURTESY CLEANING	BLDG/LAND MAINTENANCE
9057	194.42	9/14/2009	ADT SECURITY SERVICES	BLDG/LAND MAINTENANCE
9058	389.01	9/14/2009	ARROW ELECTRIC CO	EQUIPMENT MAINTENANCE
9059	5,229.00	9/14/2009	FORTRESS NETWORK SECURITY	COMPUTER HARDWARE MAINTENANCE
9060	7,639.74	9/14/2009	SHARE ONE, INC	COMPUTER
9061	2,400.00	9/14/2009	SHARE ONE, INC	COMPUTER
9062	691.90	9/14/2009	BLUEGRASSNET	COMPUTER
9063	8,285.00	9/14/2009	ADMAN MARKETING	ADVERTISING
9064	1,450.57	9/14/2009	TRANS UNION LLC	LOAN SERVICING
9065	625.00	9/14/2009	WEBER & ROSE	PROFESSIONAL/OUTSIDE
9066	685.00	9/14/2009	GARDA CL CENTRAL, INC	PROFESSIONAL/OUTSIDE
9067	15.00	9/14/2009	OKOLONA PEST CONTROL	BLDG/LAND MAINTENANCE
9068	40.00	9/14/2009	MACO INVESTIGATIONS	PROFESSIONAL/OUTSIDE
9069	84.00	9/14/2009	PCI SERVICES, INC	LOAN SERVICING
9070	925.00	9/14/2009	DAVID WATERMAN LLC	LOAN SERVICING
9071	82.50	9/14/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9072	132.00	9/14/2009	OXMOOR TOYOTA	LOAN SERVICING
9073	19.00	9/14/2009	BRECKINRIDGE COUNTY CLERK	ONE LEIN RECORDING
9074	541.66	9/15/2009	CNBS LLC	PROFESSIONAL/OUTSIDE
9075	1,086.75	9/15/2009	TELEDATA COMMUNICATIONS	LOAN SERVICING
9076	199.50	9/15/2009	ROUTE ONE	LOAN SERVICING
9077	0.00	9/15/2009	LOUISVILLE METRO GOVT	TELEPHONE
9078	49.48	9/15/2009	DUPLICATOR SALES & SERV	MAINTENANCE EQUIPMENT
9079	387.00	9/15/2009	CUMMINS-ALLISON CORP	MAINTENANCE EQUIPMENT
9080	300.16	9/15/2009	DIGITALMAILER INC	OTHER PROFESSIONAL
9081	160.85	9/15/2009	KROGER CATERING SERV	BOARD MEETING
9082	400.00	9/15/2009	DAVID WATERMAN	PROFESSIONAL/OUTSIDE
9083	43.24	9/15/2009	MILDRED OBRIEN	DECEASED ACCOUNT
9084	75.00	9/16/2009	AUTOBACK RECOVERY	REPO EXPENSE
9085	160.00	9/16/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9086	77.00	9/17/2009	SATURN OF LOUISVILLE	INDIRECT LENDING

9087	421.25	9/18/2009	DIRECT RESPONSE	INSURANCE
SEPTEMBER 2009		OPERATING ACCOUNT PAYOUTS		PAGE 2
Check #		Date	Payable To:	Reason
9088	135.00	9/18/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9089	32.00	9/18/2009	JEFFERSON COUNTY CLERK	ONE LEIN RECORDING
9090	3,025.72	9/18/2009	ALLIED SOLUTIONS	INSURANCE
9091	640.69	9/21/2009	MARIANNE COMPTON	DECEASED ACCOUNT
9092	640.68	9/18/2009	ROSEMARY HARVEY	DECEASED ACCOUNT
9093	339.00	9/21/2009	COYLE CHEVROLET	INDIRECT LENDING
9094	57,765.63	9/22/2009	MILDRED GARRETT	DECEASED ACCOUNT
9095	135.00	9/22/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9096	32.00	9/22/2009	JEFFERSON COUNTY CLERK	ONE LEIN RECORDING
9097	389.00	9/22/2009	BYEREY FORD NISSAN INC	INDIRECT LENDING
9098	247.00	9/22/2009	DOWNTOWN FORD INC	INDIRECT LENDING
9099	66.00	9/23/2009	BULLITT COUNTY CLERK	ONE LEIN RECORDING
9100	13.00	9/23/2009	BULLITT COUNTY CLERK	LEIN RELEASE
9101	13.00	9/23/2009	BRECKINRIDGE COUNTY CLERK	LEIN RELEASE
9102	24.00	9/23/2009	HARRISON CO LICENSE BRANCH	TWO LEIN RELEASE
9103	65.00	9/23/2009	JEFFERSON COUNTY CLERK	LEIN RELEASE
9104	75.00	9/23/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9105	160.00	9/23/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9106	32.00	9/23/2009	BULLITT COUNTY CLERK	LEIN RELEASE
9107	280.25	9/23/2009	CARL HICKS	MISC
9108	0.00	9/23/2009	VOID	VOID
9109	110.00	9/23/2009	LARRY DODSON	BOARD MEETING
9110	300.00	9/23/2009	AMERICAN HEART ASSOC	EDUCATION
9111	160.00	9/23/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9112	32.00	9/23/2009	BULLITT COUNTY CLERK	ONE LEIN RECORDING
9113	135.00	9/23/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9114	32.00	9/23/2009	JEFFERSON COUNTY CLERK	ONE LEIN RECORDING
9115	430.21	9/24/2009	GERERAL SERVICES ADMIN	MAINTENANCE BLDG
9116	200.00	9/24/2009	THE BANK-OLDHAM CO	OPERATION ACCOUNT
9117	91.00	9/25/2009	S WILSON'S AUTO SALES INC	LOAN SERVICING
9118	135.00	9/25/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9119	32.00	9/25/2009	JEFFERSON COUNTY CLERK	ONE LEIN RECORDING
9120	182.00	9/25/2009	DAVID'S CARS	LOAN SERVICING
9121	13,564.78	9/28/2009	LOUISVILLE METRO H R	INSURANCE
9122	152.95	9/30/2009	MASTERCARD	BOARD MEETING
9123	0.00	9/30/2009	VOID	
9124	361.18	9/30/2009	AAA SYSTEMS	PROFESSIONAL/OUTSIDE
9125	2,591.64	9/30/2009	QSI INC	DEFERRED EXPENSES
9126	727.34	9/30/2009	STAPLES CREDIT PLAN	OFFICE SUPPLIES
9127	320.69	9/30/2009	JEB ADVERTISING	ADVERTISING
9128	14.00	9/30/2009	AWARDS AMERICA	STATIONARY & SUPPLIES
9129	250.00	9/30/2009	MARVIN SCHMIDT	APPRAISALS
9130	325.00	9/30/2009	DAVID WATERMAN	PROFESSIONAL/OUTSIDE
9131	50.00	9/30/2009	SHRED-IT	PROFESSIONAL/OUTSIDE
9132	350.00	9/30/2009	WEBER & ROSE	COLLECTION EXPENSE
9133	780.20	9/30/2009	ZIP EXPRESS COURIER	PROFESSIONAL/OUTSIDE
9134	1,661.00	9/30/2009	PRINTING SERVICES II	PROFESSIONAL/OUTSIDE
9135	646.60	9/30/2009	CHEXSYSTEMS INC	PROFESSIONAL/OUTSIDE
9136	2,386.61	9/30/2009	FISERV	POSTAGE & FEES
9137	190.00	9/30/2009	PARC	PARKING-DOWNTON
9138	1,510.00	9/30/2009	GENERAL SERVICES CO	MAINTENANCE - LAND
9139	33.83	9/30/2009	CATHY PENNELL	EMPLOYEE TRAVEL
9140	154.00	9/30/2009	DON FRITTS	EMPLOYEE TRAVEL
9141	295.90	9/30/2009	RACHEL LEE	EMPLOYEE TRAVEL
9142	525.38	9/30/2009	LINCOLN LIFE INSURANCE	INSURANCE
9143	200.00	9/30/2009	LOUISVILLE CHAPTER OF CREDIT UNION	MEMBERSHIPS & DUES
9144	15.00	9/30/2009	HARRISON CO LICENSE BRANCH	LEIN RELEASE
9145	15.00	9/30/2009	CLARK COUNTY LICENSE BRANCH	LEIN RELEASE
9146	205.00	9/30/2009	CRAIG & LANDRETH	INDIRECT LENDING
9147	79.00	9/30/2009	DAVID'S CARS	INDIRECT LENDING
Total	149,938.27		142	

SEPTEMBER 2009 OPERATING ACCOUNT GL #733000 PAYOUTS

ACH Amount	Payable To:	Reason
1,341.76	AT&T	Phones - MO & HV
152.95	Credit Card	MasterCard
979.49	Louisville Water Company - MO	Office Occupancy
1,762.38	Postage	Postage
139.77	AT&T	Internet - Indiana
2,877.76	LG&E	Gas & Electric
Total	7,254.11	

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Stations / Spots	WAVE-TV 3 (A - 12)												WHAS-TV 11 (B - 26)							WLKY-TV 32 (C - 31)																
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Day	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
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