

**MINUTES OF THE
FINANCE COMMISSION MEETING
FRIDAY, December 14, 2018**

The Finance Commission of Texas convened at 8:30 a.m. on December 14, 2018 with the following members present:

Finance Commission Members in Attendance:

Paul W. Plunket, Chairman
Phillip Holt, Vice Chair
Bob Borochoff
Hector Cerna
Molly Curl
Stacy G. London
Cliff McCauley
Lori McCool
Vince Puente

Finance Commission Chairman Paul Plunket made a motion to excuse Will Lucas from the Finance Commission meeting held on December 14, 2018. There were no objections and the motion passed unanimously. (00:17)

Paul Plunket announced that Matt Moore resigned from the Finance Commission and announced a quorum with nine members present. (00:42)

Agenda Item	Action	Location on Video File
A. Finance Commission Matters		
1. Review and Approval of the Minutes of the October 19, 2018 Finance Commission Meeting	On Consent Agenda – Items A1 and C2-5	01:56 start of discussion
2. General Public Comment	No Action Required.	02:05 start of discussion
3. Consent Agenda – Items A1 and C2-5	Vince Puente made a motion to Approve Consent Agenda items A1 and C2-5. Stacy G. London seconded, and the motion passed.	02:50 start of discussion 03:24 vote
4. Finance Commission Operations	No Action Required.	03:52 start of discussion

5. Discussion of and Possible Vote to Take Action on the Finance Agencies' Fiscal Year 2019 Internal Auditor's Risk Assessment and Audit Plan as Prepared and Presented by McConnell & Jones LLP	Molly Curl made a motion to Approve the Finance Agencies' Fiscal Year 2019 Internal Auditor's Risk Assessment and Audit Plan as Prepared and Presented by McConnell & Jones LLP. Lori McCool seconded, and the motion passed.	06:03 start of discussion 51:20 vote
6. Discussion of and Possible Vote to Take Action on Revisions to the Finance Commission's Policies and Procedures Regarding Training, Budgeting and Travel Reporting	Phillip Holt made a motion to Approve the Revisions to the Finance Commission's Policies and Procedures Regarding Training, Budgeting and Travel Reporting. Stacy G. London seconded, and the motion passed.	51:57 start of discussion 1:06:45 vote
7. Discussion of and Possible Vote to Take Action Regarding Personnel Matters Pursuant to §551.074, Texas Government Code: Deliberations with Respect to the Duties and Compensation of a Person Holding the Position of Executive Director of the Finance Commission, Deliberations with Respect to the Duties and Compensation of Persons Holding the Position of Agency Commissioner Positions, and Other Staff	Deferred to Executive Session – no vote taken.	n/a
8. Discussion of and Possible Vote to Take Action Regarding Facility Planning and Real Property Matters Pursuant to §551.072, Texas Government Code: Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property	Deferred to Executive Session – no vote taken.	n/a
9. Discussion and Consultation with Attorney and Possible Vote to Take Action Pursuant to §551.071, Texas Government Code, for the purpose of seeking the advice or attorney-client privileged communications from our attorneys, including matters related to the potential financial exposure of the Finance Commission Agencies and their officers and the Finance Commission and its officers and including matters of pending and contemplated litigation	Deferred to Executive Session – no vote taken.	n/a

10. Discussion of and Consultation on Security Audit, possible issue related to confidential or sensitive information, security breach audit and assessment, and security assessments or deployment related to information resources technology as authorized by Tex. Govt. Code Secs. 551.076 and 551.089	Deferred to Executive Session – no vote taken.	n/a
B. Office of Consumer Credit Commissioner		
1. Industry Status and Departmental Operations: a) Consumer Protection and Assistance Division Activities; b) Licensing Division Activities; c) Administration Division Activities; d) Financial Division Activities; e) Legal Division Activities; and f) Legislative Activities	No Action Required.	01:07:40 start of discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops, Resulting from Rule Review	Cliff McCauley made a motion to Approve the Adoption of Amendments in 7 TAC, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops, Resulting from Rule Review. Lori McCool seconded, and the motion passed.	01:21:50 start of discussion 01:25:35 vote
3. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation <i>Lynn Rowell d/b/a Beaumont Greenery, Montgomery Chandler, Inc., Paula Cook, Townsley Designs, LLC, and Shonda Townsley v. Ken Paxton, in his official capacity as Attorney General of the State of Texas; Cause No. 1:14-cv-00190-LY, in the United States District Court, Western District of Texas, Austin Division</i> <i>Ernest Polk v. Texas Office of Consumer Credit Commissioner; Cause No. 2018-04375, in the 281st Judicial District Court of Harris County, Texas</i> <i>State of Texas v. Cash Auto Sales, Inc. f/k/a Larry Lake d/b/a Cash Auto Sales and VIP Finance of Texas, Inc. f/k/a Travis Lake d/b/a VIP Finance; Cause No. 05-18-00198-CV, in the Court of Appeals for the Fifth Judicial District, Dallas, Texas</i>	No Action Required.	n/a

C. Texas Department of Banking		
1. Industry Status and Departmental Operations: a) Current Issues Affecting Department's Regulated Entities; b) Bank and Trust Division Activities; c) Corporate Division Activities; d) Special Audits Division Activities; e) Administrative, Staffing and Fiscal Division Activities; f) Strategic Support Division Activities including Consumer Complaint Data; g) Legal Division Activities including Enforcement Activity and Gift Reporting; and h) Legislative Activities	No Action Required.	01:26:17 start of discussion
2. Discussion of and Possible Vote to Take Action on the Reappointment of Wallace Jones as the Trust Industry Representative to the Guaranty Fund Advisory Council for the period January 1, 2019 to December 31, 2020	On Consent Agenda – Item C2. This item Approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Adoption of Amendment to 7 TAC, Part 1, Chapter 5, §5.101, Concerning Employee Training and Education Assistance Programs	On Consent Agenda – Item C3. This item Approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on the Adoption of Amendment to 7 TAC, Part 2, Chapter 26, §26.11, Concerning Perpetual Care Cemeteries Complaints	On Consent Agenda – Item C4. This item Approved on the Consent Agenda.	n/a
5. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 2, Chapter 33, §§33.23 and 33.35, Concerning Money Services Businesses Permissible Investments and Record Retention Related to Money Transmission Transactions, respectively	On Consent Agenda – Item C5. This item Approved on the Consent Agenda.	n/a
6. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a
1. Industry Status and Departmental Operations - State Savings Bank Activity: a) Industry Status; and b) State Savings Bank Charter and Application Activity	No Action Required.	01:39:44 start of discussion

2. Industry Status and Departmental Operations – Mortgage Lending Activity: a) Residential Mortgage Loan Originators; b) Mortgage Examination; and c) Consumer Complaints	No Action Required.	01:45:11 start of discussion
3. Fiscal and Departmental Operations: a) Funding Status/Audits/Financial Reporting; and b) Staffing	No Action Required.	01:47:20 start of discussion
4. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities	No Action Required.	01:47:50 start of discussion
5. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a

Chairman Paul Plunket called for an Executive Session at 10:43 a.m. (01:59:20) on the audio file). The open meeting resumed at 11:00 a.m. (02:00:30) on the audio file.)

There being no further business, Chairman Paul Plunket adjourned the meeting of the Finance Commission at 11:06 a.m. (02:05:32) on the audio file).

/s/Paul W. Plunket

Paul W. Plunket, Chairman
Finance Commission of Texas

/s/Charles G. Cooper

Charles G. Cooper, Executive Director
Finance Commission of Texas

/s/Anne Benites

Anne Benites, Executive Assistant
Finance Commission of Texas