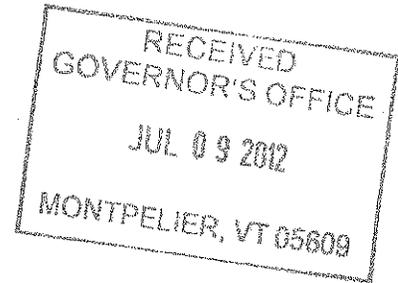




MASCOMA SAVINGS BANK

Incorporated in and mutually owned since 1899.

July 6, 2012



Governor Peter Shumlin
Office of the Governor
109 State St. – Pavilion Building
Montpelier, VT 05601-0101

RE: VT. State Employees Union

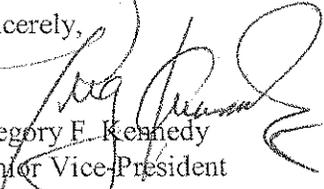
Dear Governor Shumlin,

I am writing to you as a bank officer and professional on the matter of the proposed VSECU Cease and Desist Order. I urge you support the recommendation of the Vermont Department of Financial Regulation in requiring VSECU to follow the rules as laid out in Vermont Law.

I am sure that VSECU's petition for a declaratory judgment by your office will attempt to justify its position with arguments focusing on issues of semantics, but the fact remains that they are in violation of clearly stated regulations. I hope that you will see the argument as one of fairness to the banking industry and rule accordingly.

Thank you for your time and attention to this matter.

Sincerely,



Gregory F. Kennedy
Senior Vice-President
802.291.6324

greg.kennedy@mascomabank.com

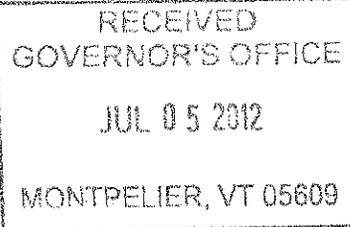
VERMONT BANKERS ASSOCIATION, INC.



CHRISTOPHER D'ELIA
President

July 3, 2012

Governor Peter Shumlin
Office of the Governor
109 State Street, Pavilion Building
Montpelier, Vermont 05609-0101



CITY CENTER
89 MAIN STREET, P.O. BOX 587
MONTPELIER, VERMONT 05601-0587
TEL (802) 229-0341
FAX (802) 223-5078
VTBANKER@SOVER.NET
WWW.VTBANKER.COM

Dear Governor Shumlin,

It has come to our attention the Vermont State Employees Credit Union has filed a petition with your office requesting a declaratory judgment against a proposed cease and desist order by the Department of Financial Regulation.

We as a banking industry firmly believe that no individual or in this case entity is above the law. Vermont statute, Title 8 V.S.A. section 14103, clearly states that a financial institution reporting to and under the supervision of the Commissioner is entitled to use the term "bank," "banking association," "trust company," or other similar sounding words or names. The definition of a financial institution under Title 8 V.S.A. section 11101 (32) does not refer to a credit union. Given these facts, the VSECU is not entitled to use such terminology; doing so violates Vermont law.

One might argue that Title 8 V.S.A. 14103 gives the Commissioner discretion to approve the activity, word or name use if it is found that such actions will not confuse or mislead the public as to the nature of the business of the entity. Despite the similarities in products and services and the ability to serve all Vermonters, the VSECU is not a bank. Banks in Vermont pay taxes; in fact an average Vermont family pays more in taxes than this credit union. Banks are responsible for reinvesting in their communities. If the VSECU were to accept those same obligations then we would agree to the use of the terminology, but they choose not to.

Governor, we respectfully ask that you stay true to the words of the oath of office and uphold the laws of this state. Do not reward this credit union's bad behavior by striking down the cease and desist order.

Sincerely,

A handwritten signature in cursive script that reads 'Christopher D'Elia'.

Christopher D'Elia
President



**National Bank
of Middlebury**

Serving Vermont Communities Since 1831

P.O. Box 189, Middlebury
Vermont 05753-0189

www.nationalbankmiddlebury.com

Phone: 1-802-388-0894 Fax: 1-802-388-4423

G. Kenneth Perine, President & CEO

July 2, 2012

Governor Peter Shumlin
Office of the Governor
109 State Street, Pavilion Building
Montpelier, Vermont 05601-0101
Fax # 802-828-3339

RE: VSECU cease and desist order from Department of Financial Regulation

Dear Peter,

I am writing today to express my support of the intent to issue a cease and desist order by the Department of Financial Regulation to Vermont State Employees Credit Union (VSECU). Statute clearly defines a difference between a credit union and a bank and the terminology used to describe each institution to the public. We should all abide by the statutes. VSECU chooses to use the word "bank" when convenient to sell its products and services. This is in clear violation of Vermont statute. At the same time, VSECU chooses to distinguish itself from "bankers" in some of its advertising to distance itself from the less desirable connotations of the word. You can't have it both ways.

I urge you to support the Department of Financial Regulation in attempting to maintain the current distinction between credit unions and banks. At some point, corporate structure may catch up to the fact that both institutions offer basically the same services. If that ever occurs and both institutions can compete on a level playing field from product and service offerings to paying taxes, then will be the time to pull down the barrier of distinction.

Thank you for your consideration.

Sincerely,

G. Kenneth Perine
President & CEO

cc: Mr. Thomas J. Candon, Deputy Commissioner, Department of Financial Regulation
Mr. Christopher Delia, President, Vermont Bankers Association

*Offices on Main Street, Seymour Street, and Route 7 South, Middlebury;
Carver Street, Brandon; Main Street, Bristol; Commerce Street, Hinesburg; and Green Street, Vergennes, Vermont*

June 29, 2012

Governor Peter Shumlin
Office of the Governor
109 State Street, Pavilion Building
Montpelier, VT 05601-0101

RE: State of Vermont Department of Financial Regulation – Vermont State Employees
Credit Union Docket No.12-020-B

Dear Governor Shumlin:

As you know from your business and public service career, a significant majority of Vermont businesses are managed ethically and in full compliance with State statutes.

To the best of my knowledge, the Vermont State Employees Credit Union (VSECU) has generally been a good corporate citizen. However, in the above referenced matter it is safe to say the VSECU has greatly exceeded the bounds of business ethics and State statutes, and is playing fast and loose with the terms “bank” and “banking.” The VSECU’s use of the terms is misleading and deceptive.

Given the public’s rightful demand for greater transparency on the part of those entities providing financial services; it is unconscionable the VSECU is promoting itself as a bank. If the VSECU truly desires to be a bank, I am sure the Department of Financial Regulation is prepared to address a conversion request.

It is my understanding the VSECU has asked you to override the proposed Cease and Desist Order issued by Commissioner Stephen Kimball regarding its use of the terms “bank” and “banking.” I would respectfully request you fully support the Commissioner’s thoughtful position and continue promoting the sound business ethics Vermonters expect.

Thank you for your consideration.

Sincerely,



Thomas N. Pelletier
President and Chief Executive Officer



MASCOMA SAVINGS BANK

Incorporated in and mutually owned since 1899.

June 28, 2012

GOVERNOR PETER SHUMLIN
OFFICE OF THE GOVERNOR
109 STATE ST, PAVILION BUILDING
MONTPELIER VT 05601

Dear Governor Shumlin:

First, thank you for the kind words about the Bank at the Special Olympics fundraiser in Woodstock; it made folks here very proud about what they do.

I'm asking you to not waive the Vermont State Employees Credit Union's responsibility for complying with Vermont law regarding the use of the term "bank" (or any variation of). It's wrong on two levels:

1. First, the law is the law and can't be any clearer. How hard is it to comply? They've got all but about six words in the entire English language to work with. VSECU is wasting your time and BISHCA's time with this nonsense.
2. Second, if they can't market themselves without saying "bank", they can apply for a state banking charter. The "non-profit" VSECU had Net Income of over \$2.4 million last year, driven by over \$7.2 million in fee income. Despite being about half the size of my bank, they raked in \$600,000 more in fees. I've attached their list of fees, and highlighted the more creative ones. If VSECU wants to act and talk like a bank, they can become a bank.

There's no good reason to waive Vermont law for VSECU and unfair of them to market themselves as something they're not.

Page 2
June 28, 2012

Thank you for your consideration and I'm sorry you are being badgered with something like this.

Sincerely,

A handwritten signature in black ink, appearing to read "K Wells". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kenneth D. Wells
Sr. Vice President, Retail Lending
243 Sykes Mountain Ave.
White River Jct., VT 05001
802-280-4953
ken.wells@mascomabank.com



June 28, 2012

The Honorable Peter Shumlin
Office of the Governor
109 State Street, Pavilion Building
Montpelier, Vermont 05601-0101

By facsimile transmission to (802)828-3339

Dear Governor Shumlin:

I am writing to you this morning to express my concerns regarding the Vermont State Employees Credit Union's efforts to seek a declaratory judgment allowing it to use the terms bank and banking in the advertising of its services, in direct contradiction to a proposed Cease and Desist Order from the Department of Banking.

I recognize the importance of credit unions to the financial services industry and the constituents these organizations serve and I have no issue with their pursuing their missions; as you may know we have three credit unions, including VSECU, operating in Brattleboro.

What I do take exception with is an organization that operates as a wolf in sheep's clothing. More and more, credit unions are portraying themselves as banks, which they are not, by loosening the requirements for "membership" and pursuing activities for which they were not formed, such as commercial lending. We are a mutual savings bank, chartered by the State of Vermont and owned by our depositors. The way the credit unions continue to expand their services and portray themselves as banks or as offering banking services means the only difference between them and us is that we pay taxes and they don't. This obviously serves to endow them with an unfair competitive advantage.

Governor, a bank offers banking services and a credit union offers financial services; I urge you to please support the Department's proposed Cease and Desist Order.

I would be happy to discuss this issue further with you or a member of your staff at any time.

Thank you for your consideration.

Very truly yours,

Daniel C. Yates
President & CEO

Main Office
221 Main Street
P.O. Box 1010
Brattleboro, VT 05302-1010

Springfield Office
85 Main Street
P.O. Box 915
Springfield, VT 05156-0915

Website
www.brattbank.com
E-Mail

June 28, 2012

Governor Peter Shumlin
Office of the Governor
109 State Street, Pavilion Building
Montpelier, Vermont 05601-0101

Re: Department of Financial Regulation Cease and Desist Order issued to Vermont State Employees Credit Union

Dear Governor Shumlin:

The Department of Financial Regulation (DFR) took the correct action in upholding the laws of the State of Vermont by issuing the Cease and Desist Order to the Vermont State Employees Credit Union (VSECU). Vermont Statute is quite clear in the use of the term "bank" and iterations of same being exclusively the province of the banking industry. VSECU has flaunted this statute for years despite our industry repeatedly pointing this out to DFR and before that the Department of Banking, Insurance, Securities and Health Care Administration (BISHCA).

Having worked with the people at DFR and BISHCA for over twenty years, I can tell you that pushing them to issue a Cease and Desist order is hard work. They do all they can to deal with situations such as this one on an informal basis, preferring to convince those they regulate to do the right thing rather than ordering compliance with their mandates.

The department opened the door for VSECU to prove that they are allowed to use the word "bank" and instead of pursuing this in a reasonable fashion, we understand that they have or plan to seek a declaratory judgment from your office.

I urge you to stand behind our Department of Financial Regulation and force VSECU to pursue this matter through proper channels. You can be sure DFR gave VSECU every opportunity to comply with Vermont Statute before issuing the Cease and Desist order. For your office to get involved would simply reward VSECU for years of thumbing their noses at Vermont Statute.

Sincerely,



David S. Silverman
President and CEO

E-Mail Viewer

Message | Details | Attachments | Headers | Source

[HTML](#)

From: "The Official Website of the Governor of Vermont" <vt-cms-support@egov.com>

Date: 6/28/2012 12:30:24 PM

To: "governorvt@state.vt.us" <governorvt@state.vt.us>

Cc:

Subject: Form submission from: Send a Message to Governor Peter Shumlin

<APP>CUSTOM
<FIRST>Kerry</FIRST>
<LAST>Deschamps</LAST>
<EMAIL>kdeschamps@ptcvt.com</EMAIL>
<ADDR1>Peoples Trust Company</ADDR1>
<ADDR2>25 Kingman St.</ADDR2>
<CITY>St. Albans</CITY>
<STATE>VT</STATE>
<PHONE>8025242196</PHONE>
<AFFL>EMAIL.OPTIN</AFFL>
<ISSUE>Courts</ISSUE>
<MSG>Dear Governor Shumlin,

As a proud banking officer, I am keenly aware of banking regulations; adhering to them and ensuring that all branch staff employed at the institution where I work do the same.

I believe that Vermont State Employees' Credit Union's use of terms like "bank" and "banking" when referring to the service they provide in advertising initiatives is misleading to their members as well as to potential customers. As you know, the Credit Union is not a bank, and is not regulated in the same manner that banks are.

I've learned that VSECU has filed a petition with the Governor's office asking for a declaratory judgment on this issue. I believe that allowing VSECU to continue to portray itself as a bank is a blatant display of false advertising, and I would be disappointed if your office allowed it to continue.

Respectfully yours,

Kerry M. Deschamps
Director of Branch Administration
Peoples Trust Company
St. Albans, VT</MSG>
</APP>