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THAT PERSONAL TOUCH IS AN ASSET

Growing Kentucky banks compete and consolidate to pursue tech-savvy customers

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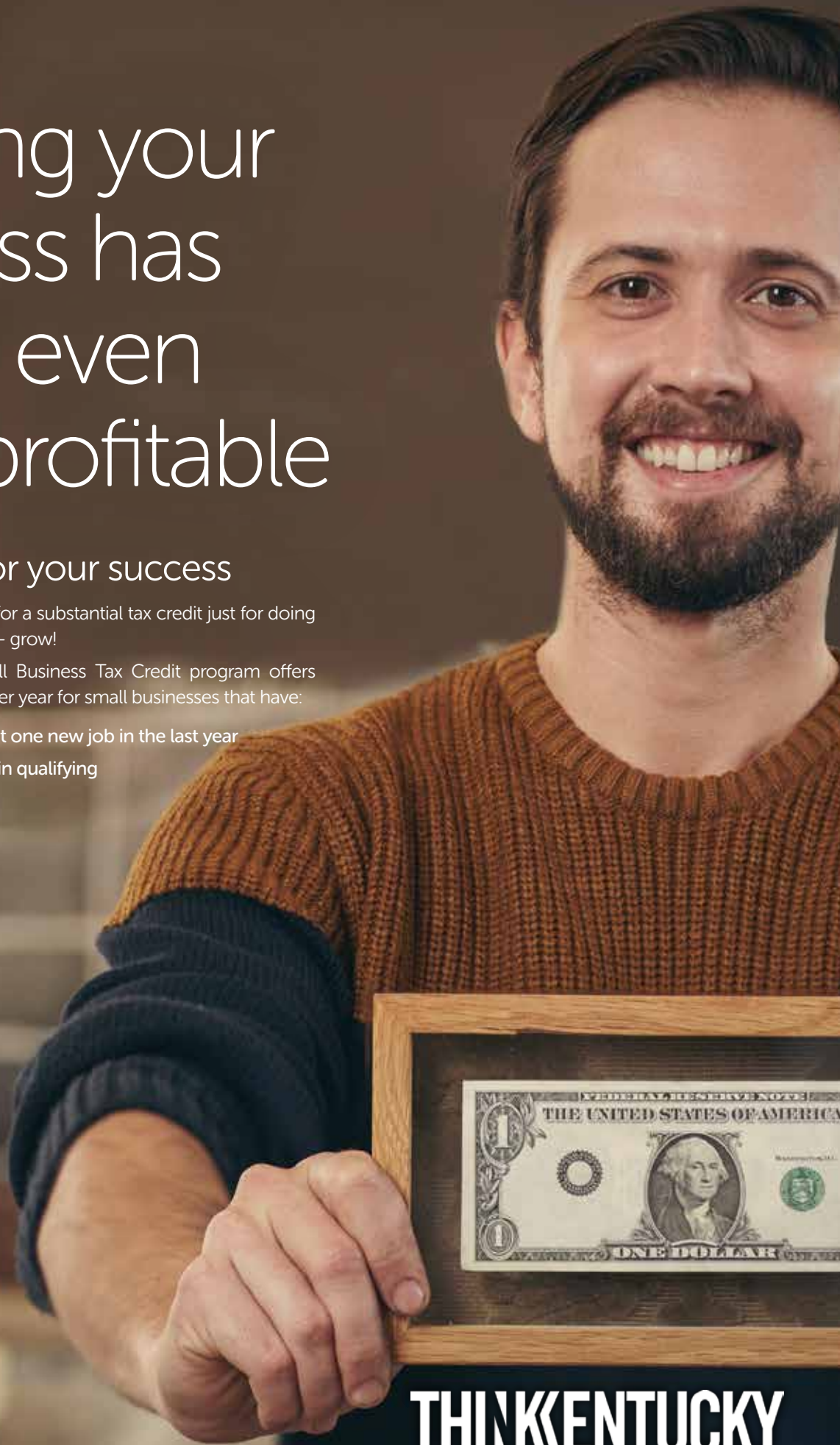
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The Whole-Person Health Concept

Anthem Medicaid leverages resources with care management partnership

The Lane Report: What portions of the Kentucky Medicaid market does Anthem serve?

Leon Lamoreaux: Anthem covers the entire state. We represent about 130,000 members who are geographically dispersed from tip to tail, north to south, and east to west. We are proud to be able to serve Kentuckians in every county across the commonwealth.

TLR: Why is Anthem uniquely positioned to serve Kentucky's Medicaid population?

LL: More than anything, it's a passion our employees have to serve the Medicaid population. Many of us have had experiences that make us want to serve. Anthem has provided continuous and uninterrupted service in Kentucky for over 80 years, and offers everything from commercial insurance plans to Medicare and Medicaid plans. We view that as part of our vision to have Anthem for life. Regardless of age, income, or disability status, Anthem is able to offer all individuals insurance and help make sure that care costs are covered by one of our lines of insurance business.

Beginning in 1995, following the enactment of House Bill 250, more than 40 health insurance benefit organizations abandoned Kentucky, particularly the individual market. The exception was Anthem. We were the only company that stayed in the individual market segment and the only health insurer that has maintained a continuous presence both ON and OFF the health insurance exchange since 2014. Our commitment to the community is 82 years strong, and we're dedicated to helping Kentuckians. Whether it is through our commercial business serving large and small employers and individuals, or through government-sponsored programs such as Medicare and Medicaid, you can be an Anthem member in every stage of life. We call that "Anthem for Life." That's our aspiration. If you get a job and move from Medicaid to a commercial plan, you can go from one Anthem plan to another Anthem plan and still have access to the Anthem network.

TLR: That person is able to stay in one network and not have to learn a new set of providers?

LL: Correct. We have one of the largest networks in the state and we're continuously looking for ways to strengthen it further. We have over 28,000 providers who serve our population, and hospitals and professionals across the entire state. As part of Anthem, we've got 24 affiliate or sister plans that we can borrow from as well, so their strengths become ours.

TLR: What is Anthem's whole-person health approach to managing health care?

LL: The whole-person health concept recognizes people have more than health care issues affecting their lives. As I describe it: We're a patient for "this much" of our lives, and managed care has mostly focused on care management or utilization management. But Anthem's whole-person health model expands the definition (of care management) to recognize that we all exist in an environment of social determinants of health – our access to proper food, transportation, clothing, safe and affordable housing, educational opportunities and employment. As a Medicaid health plan, about five years ago we started branching out to address the whole person instead of just the part that's engaged with the health care delivery system for brief periods. We've designed our organization so that we have unique teams of experts who try to address social determinants of health and recognize that the problem is more in those underpinnings than it is the health of the individual. For example, when we address homelessness, we may be able to dramatically reduce emergency room admissions, because the homelessness may be the root



Leon Lamoreaux

Leon Lamoreaux became Medicaid Plan President for Anthem BCBS in Kentucky in 2018 and has 36 years experience in health care – 25 years in leadership with the past 14 years in Medicare and Medicaid. Lamoreaux was president for Anthem Medicaid in Wisconsin for four years before taking his current post. He has worked for four integrated delivery systems and four different BCBS plans including: New West Health Services in Helena, MT; Geisinger Health Plan in Danville, PA; Priority Health in Grand Rapids, MI; WellPoint BCBS in New Haven, CT; Excellus BCBS in Rochester, NY; Regence BCBS in Portland, OR; and Intermountain Healthcare in Salt Lake City. Lamoreaux has a master's degree from Marriott School of Management at Brigham Young University and a bachelor's degree in business administration from Columbia College. He and his wife of 36 years, Kim, live in Kentucky.



cause for the ER visit. They don't have a place to go, it's cold, and they need some respite.

Through our whole-person model, we work with our members to more fully understand the root cause of health issues. We've developed a team of community engagement navigators to help our members address their social needs, as well as staff, nurses and social workers to help them navigate their health care needs and transitions from one level of care to another. It's thinking about that person holistically, and what needs they may have. Now, we may not be able to solve all of those needs, but we can work with community-based partners that can help. Whether it is the Urban League, WIC centers or county mental health agencies, we network with those members of the delivery system to help bring resources together.

TLR: That is not what most people think of as health insurer's services. How does Anthem reach out to these other agencies that are involved in people's lives?

LL: We've got a team of community outreach folks who continuously develop these relationships. We're constantly working on building out that network of referral sources and making them a part of our team. For example, Anthem Medicaid gave \$80,000 in grants to Welcome House of Northern Kentucky to purchase a house to provide safe housing for youth who are aging out of the foster care program. Four individuals live in the house – youth who are coming in off of the streets. They teach them how to cook, life skills and workforce development skills. They prepare them for employment, and ultimately help them move into permanent housing. We've done impactful work with God's Pantry and donated a van that allows them to, for the first time, deliver fresh food across Central Kentucky to children in food deserts.

It is part of our vision and mission to improve lives and communities through these innovative partnerships. It's a lot different than just thinking my job is to pay the claim, right? By being aware of our members' needs, recognizing social determinants of health and partnering with the right resources and programs, we might be able to avoid a future claim altogether, and everybody wins if we're able to realize that.

TLR: Can you offer an example?

LL: In my past market, we had a gentleman who in the first 90 days of coverage with us went to the hospital emergency room 105 times, most of which were ambulance-assisted. We got him into stable housing, and in the next 90 days, there were only seven hospital emergency visits. That's an example of us working with state agencies and housing authorities to find safe placements for individuals who otherwise are using health systems as social supports and not the way in which they were intended.

TLR: You've worked in at least 15 states from the Northwest to New England and the upper Midwest. How does the Kentucky Medicaid market compare to others?

LL: Within Medicaid, there are many similar issues, such as challenges to provider access and transportation, and complications from poverty and health literacy. But each state is a little unique and requires solutions tailored to meet the specific needs. One thing I see in Kentucky is a much greater challenge with opioid dependence and all of the consequences that come with that. Everything from more heart problems, more vascular disease problems, more sepsis and infection problems. Even the presence of foster care has increased because parents are no longer able to provide proper care for their children.

Opioid dependency is more highly concentrated in this state, which creates some unique partnership opportunities. We're building out a partnership with the Metro Louisville Department of Health, for instance, to help them with their harm-reduction programs. We're working with the University of Kentucky to build a Medication Assisted Treatment Program for rural community providers, and train them on how to help those who have opioid dependency. We have to use the local resources and collaborate to be able to build upon those unique solutions.

Also, there's a lot more active dialogue between the provider community, DMS and the managed care entities. DMS holds the health plans to a very high standard and encourages responsiveness to known issues. The different managed care organizations (MCOs) collaborate with one another on appropriate issues and are willing to think broadly about challenges. The greatest opportunity is for MCOs and all of us as a society, as social state agencies, as community-based organizations, to come together with a patient-centered focus to develop creative solutions. It's going to take us all working together to be able to overcome the true enemy, poverty and illiteracy, to help people to achieve their best selves. People are able to put competition aside at times and pull together for the benefit of Medicaid members. So that's something refreshing within this state.

TLR: Does Anthem offer telemedicine or is that a provider service?

LL: It's both. Telemedicine is twofold in our world. One is the formal telemedicine that takes place, such as a rural community provider dialing into a more urban provider to be able to consult with specialists. But there's also tools such as Live Help Online with which people can access a medical professional on their mobile device in real time and get the care needed. Telemedicine is one of the ways we intend to address some of the challenges of access to care.

TLR: How many employees does Anthem have in Kentucky, and how many of them serve the Medicaid program?

LL: Anthem employs about 1,400 associates across Kentucky. Some of those support our Medicare line of business, others the commercial lines of business. Within Kentucky Medicaid, when we are at full strength, approximately 365 associates will support our Kentucky business, which will include a regional call center of 150 people, of which about 50 have been hired, trained and are beginning to take calls. We still have a lot of opportunity for growth.

We are also supported by a host of resources within Anthem, Inc. In addition, for every 10 jobs directly created by Anthem, as many as 35 additional jobs are created within the Kentucky economy, a recent study by the University of Louisville suggests.

TLR: Anthem has allotted \$2 million toward investing in the community to address health disparities in 2020. What is that program, and what is its focus?

LL: Since 2014, Anthem and its Foundation have invested \$8.1 million in Kentucky through community grants and sponsorships addressing issues such as food insecurity, access to health care, fighting the opioid epidemic and homelessness. In addition, Anthem associates have spent 15,840 hours volunteering in their communities. Anthem Blue Cross and Blue Shield in Kentucky, together with the Anthem Foundation, will invest \$2 million in 2020 to address health disparities across the commonwealth, with a heightened focus on school-aged children. Anthem Medicaid will partner with community organizations to fund innovative health disparity-focused programs with proven results. We also will work to improve lives and communities by working with organizations to help educate individuals on relevant health literacy topics such as proper nutrition, dental care and mental health awareness.

Through these critical community partnerships, it is our goal to achieve health equity across the commonwealth, to help ensure all Kentuckians have the highest quality of whole-person health and life. Nonprofits and community partners in Kentucky that work to address health disparities are encouraged to submit a proposal and funding request by visiting anthemcorporateresponsibility.com/funding-options.

TLR: Do we know how many dollars in Medicaid payments flow through to providers in Kentucky via Anthem-covered patient-clients?

LL: Medicaid Managed Care is an \$8 billion program for the state annually, of which roughly 70% comes from the federal government. Medicaid managed care organizations spend approximately 90% of every dollar directly on health care services.

TLR: When Medicaid is managed effectively and clients are served and guided, what are the benefits to the taxpayer?

LL: If not for Medicaid, we would see more and more unfunded, uncompensated care within our hospitals and clinics. It is unmonitored and uncoordinated. Quite frankly, care that is not managed clogs our health care services and financings pipelines, which results in greater cost shifting to the private sector, hampers access and exacerbates health conditions and problems. Really, adequately covering Medicaid members – getting them the right care at the right time and in the right setting – benefits us all, regardless of one's connection to Medicaid. It sends revenue to our rural providers and communities, it reduces cost shifting and costs to Kentucky's employers, and lessens the burden on other government-sponsored programs. Ultimately, a properly structured and operated Medicaid program that successfully addresses whole-person health and overcomes the social determinants of health will make Kentucky stronger and our population healthier, leading to fuller, happier lives.

TLR: Is there anything we haven't discussed?

LL: Anthem has made a lot of investments in 2019 to help position us for where we are today. We've seen a remarkable increase in our quality scores and right now we are a National Committee for Quality Assurance (NCQA) commendable-rated plan and one of the top rated Medicaid plans for quality in the state. Throughout the past year, we improved 115 of 148 Healthcare Effectiveness Data and Information Set (HEDIS) measures and administrative efficiencies. We've seen creation and an expansion of new decision support tools that allow us to bring our resources to those who need them the most through predictive modeling, through profiling of our members and their utilization patterns. Over the past two years, we have been evolving clinical operations to more of a population-health model, where that whole-person health we talked about earlier is pulled together into a longitudinal record. We're able to address that member's needs, whether it is at the hospital bedside, on a telephone, out in the community or in their home, or at any point along that continuum. We're proud to be able to serve the commonwealth.

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PERSPECTIVE

HELP YOUR STATE, DECISION MAKERS

Contacting your legislator
truly can make a difference

BY MARK GREEN

ALRIGHT Lane Report readers, you folks we long have called Kentucky's "decision makers," it's time to shoulder some responsibility. The 2020 General Assembly is in session, dealing primarily with creating a biennial budget for the next two fiscal years.

It's important stuff.

The budget is *the* key policy roadmap by which our fair commonwealth will operate. It will address our collective shared responsibilities and provide the public services to keep us, our families and our businesses safe in so many ways. It will build and repair roads and bridges, and it will determine what our public education system does.

The goal as always is to move forward, to invest in Kentucky's future. To do that, however, legislators face tough choices and votes – that they will only cast if you decision makers make sure they know you support it. Investing requires more revenue, and it is well known that voting for more revenue is often politically perilous. Such votes bring rewards, though, when it is what constituents want.

There is lots of agreement on policies that can make our state better. Perhaps not universal agreement on all the goals, but many have broad support. This is because we know that, truthfully, to do nothing is to fall behind, and our commonwealth is already at or near the back of the pack on important health, education and income metrics that factor into quality of life for Kentuckians.

Agreement on budget goals is easy to find, but disagreement is even more plentiful regarding how much revenue to provide state government and how to divide it up for the things we want.

You decision makers can and should help your elected officials. If you do not, you should expect little change and no progress. Elected officials truly do want to reflect the desires of the Kentuckians they represent – and they definitely will when they know clearly what those desires are.

Not many of us see or rub elbows with legislators and have an opportunity to express ourselves to them on policy. And you may wonder if you reach out to your state representative's and/or

senator's office and leave a message, will it get passed along?

The answer is: Yes.

"Green slips" are an important part of the Kentucky General Assembly policymaking process; one is created whenever a constituent contacts a legislator's office about an issue, especially a specific bill. They originated from the former phone message system for lawmakers, under which legislative staffers created printed comments from constituent calls on green paper slips that were convenient to carry to the House and Senate floor and fit into a member's pocket.

Today, ongoing digitization of information means "green slips" aren't physical, unless the member asks his or her staff to print them out, which many do.

The point is that your representatives and senators really do "get the message" – if you bother to send one. They literally count them, too.

And they just might give a green slip more weight when they see the name of a "decision maker" like you on it, right?

Do you think Kentucky should modernize its tax code with less income tax and more tax on more services? Better fund education? Put fewer people in prison? Increase funding for roads and bridges? What about sports betting? How about casinos? Polls indicate significant majorities support medical marijuana.

Do you oppose any expansion of gambling? Are Kentucky's tax levies and fees too high? Should local government be able to enact sales tax? Is expanding Medicaid to cover health care for hundreds of thousands of commonwealth worth it, or too expensive?

Take the time to contact your legislators' offices and you can literally help create public policy.

Contact Your Legislator

To leave a message for your legislator, call the Legislative Message Line at (800) 372-7181; depending on call volume there may be a slight wait.

You probably know who your legislators are, but just in case you need to let someone else know who theirs is, there is a website for finding legislator and district information: apps.legislature.ky.gov/findyourlegislator/findyourlegislator.html. ■



Mark Green is executive editor of The Lane Report. Opinions expressed are those of the writer and not The Lane Report.

Kentucky's BEST BETS

Business growth throughout Kentucky is critical to the continued expansion of Kentucky's economy and vital to job creation throughout the Commonwealth. In conjunction with The Lane Report, Dean Dorton is proud to recognize the distinct and esteemed companies that are impacting Kentucky's economic expansion through Best Bets 2019!

The Best Bets list is based on several factors including the revenue growth for the last three years, employee investment, capital expansion, addition of new services, and other achievements.



Showcasing the *success* of Kentucky's thriving businesses.

Company	Headquarters	Year Founded
Beaumont Family Dentistry	Lexington	1984
Ingenium Talent	Louisville	2016
KDA Office Furniture	Lexington	1998
Parallel Environmental Services Corporation	Louisville	1987
US WorldMeds, LLC	Louisville	2001

Congratulations to the 2019 winners!

Look for Kentucky's Proof to hit your mailbox in April, highlighting each of the companies listed above and featuring meaningful insights into what these companies are doing to succeed year after year.



FAST LANE

A compilation of economic news from across Kentucky

ASHLAND

BON SECOURS HEALTH SAYS OUR LADY OF BELLEFONTE HOSPITAL TO CLOSE THIS FALL, ELIMINATING 1,000 JOBS



Our Lady of Bellefonte Hospital has served the Ashland area since 1953.

THE Bon Secours Health System has announced that it will close **Our Lady of Bellefonte Hospital** in Ashland by the end of September, along with its system-owned care sites and physician network.

The closures will eliminate approximately 1,000 jobs.

According to a statement announcing the closure, the Maryland-based organization “has been talking with hospitals and health systems to address the health care needs of the community, with the ultimate goal of improved outcomes and cost-effective care. In addition, robust efforts have been taken to help sustain hospital operations. While these efforts offered temporary benefit, they are not enough to effectively operate in an environment that has multiple acute care facilities competing for the same patients, providers and services.”

The hospital, which currently has 214 beds, has served the Ashland community since 1953.

Kristie Whitlatch, president and CEO of Ashland’s other hospital, **King’s Daughters Medical Center**, said, “King’s Daughters will work with Our Lady of Bellefonte, its leadership and team to find any and all opportunities to keep jobs and health care local ... Making sure our community has access to quality health care services now and in the future is our No. 1 priority.”

WINCHESTER

GENCANNA FILES FOR BANKRUPTCY REORGANIZATION IN EFFORT TO ADAPT TO RAPIDLY CHANGING HEMP MARKET

WINCHESTER-based hemp processor **GenCanna Global USA Inc.** has filed a petition for voluntary Chapter 11 reorganization.

GenCanna has obtained approximately \$10 million in post-petition debtor-in-possession financing from its senior lender, which will provide the liquidity to maintain operations during the Chapter 11 process.

“We are taking this action in order to position our business for success in a highly dynamic and rapidly evolving industry,” said GenCanna CEO Matty Mangone Miranda. “While this is certainly not the outcome we desired, the bankruptcy process gives us the ability to move forward in a way that allows us to best continue operations and serve customers as we work through our reorganization, resolve an outstanding legal dispute involving our Western Kentucky facility, navigate an uncertain regulatory environment and adjust our annual operating costs to better match the landscape. Through this restructuring, we plan to address certain structural issues that we could not fix on our own.”

The Chapter 11 filing comes after a difficult year for GenCanna. In late January, three creditors filed an involuntary bankruptcy petition, saying they are owed a total of more than \$50,000. Last October a group of farmers sued GenCanna for \$5 million after a joint venture failed. The company also faced a lawsuit last year tied to a planned Graves County processing plant.

Kentucky Agriculture Commissioner Ryan Quarles has urged the **U.S. Food and Drug Administration** to end the “bureaucratic paralysis” he says is hindering Kentucky’s hemp industry.

“The FDA’s inability to make regulatory decisions is preventing growth in the hemp marketplace,” Quarles said. “Promising potential markets remain closed while crop production has increased. When there is a surplus of a crop and it begins to pile up, the result is obvious: crop prices will fall. We’ve got to do all we can to explain to federal regulators in Washington how regulatory uncertainty is affecting Kentucky and other states around the nation.”



GenCanna specializes in the production of hemp to produce cannabidiol (CBD) products.

COVINGTON

FIRST FINANCIAL’S NEW INNOVATION CENTER TO SERVE AS ECONOMIC HUB

CINCINNATI-based **First Financial Bancorp** has unveiled plans to grow its “next-generation” banking concept with a new “innovation center” in downtown Covington that will also serve as the headquarters site for the Northern Kentucky market.

“Our 6th & Madison **Innovation Center** will serve as a hub for economic activity as we enable other businesses to expand and bring more jobs to Northern Kentucky,” said Archie Brown, Jr., president and CEO of First Financial Bank. “We’re focused on being deeply woven into the community, and this new headquarters site will help us to be an even greater catalyst for growth here.”

6th & Madison will offer spaces that are both publicly accessible and technologically equipped. Guests will have access to free Wi-Fi, a free coffee bar,



Stone Panels Int'l photo

multiple open seating and meeting areas, two reservable conference rooms, and on the second floor, nearly 1,000 s.f. of event space available for public use. The innovation center will also offer financial opportunities to help individuals and business leaders improve their financial health. Resources will be available both in person and via self-serve technology options. The bank will provide office space for its employees on the third and fourth floors of the building, located at 601 Madison Ave.

The new facility represents the bank’s latest investment in Northern Kentucky’s urban core. Other significant projects in the region supported by First Financial funding include the development of **Hotel Covington**, **Duveneck Apartments** in Covington, **John R. Green Lofts** in Mainstrasse, Newport’s **Ovation** music venue, the **Manhattan Harbor Apartments** in Dayton, Kentucky, and **Kent Lofts** in Bellevue.

Construction is expected to begin this spring with an opening planned for late 2020.



Happier Biz Tip:

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BUSINESS BRIEFS



WKU photo

BOWLING GREEN

■ **Western Kentucky University** has been awarded a \$1.1 million grant from the **U.S. Department of Education** to address the shortage of personnel certified to serve students with “high-intensity needs.” Grant funding will support recruitment, tuition scholarships and graduation of 30 students in the special education and speech-language

pathology programs at WKU. Graduates will be licensed to work with K-12 students with moderate and severe disabilities.

■ **CGS Machine & Tool Inc.** is investing \$2.75 million to add new equipment and renovate its Bowling Green facility to better meet customer demands. CGS recently received its ISO certification, which will boost the company’s presence throughout the United States, particularly within the automotive industry. CGS currently has approximately 50 employees and anticipates adding up to 15 more jobs.

ERLANGER

■ Eight new food and beverage options are coming to the **Cincinnati/Northern Kentucky International Airport** (CVG). **SSP America**, a leading operator of food and beverage brands in travel locations worldwide, has been awarded a contract to develop and operate the eight new spaces. The new options, which are expected to open between the first quarter of 2021 and early 2022, will include **Dunkin’** (replacing two of the existing four **Starbucks** locations); a larger location for **Chick-fil-A**, which is moving to the food court; **Fuzzy’s Taco Shop**; **Bourbon Kitchen**, featuring regionally focused fare; a localized café and bar; **Carmella’s Modern Trattoria**; and **Camden Food Co.**, an urban gourmet market offering both made-to-order and grab-and-go options.

FRANKFORT

■ **Buffalo Trace Distillery** saw a record-breaking 293,996 guests visit the historic distillery in 2019. The figure represents a 35% increase over 2018. Buffalo Trace expanded its visitor center in 2015 to accommodate the growing interest in all things bourbon and is expanding once again to help meet continued tourism growth. The latest expansion is expected to be complete later this year.



GRAYSON

■ A management review ordered by the Kentucky Public Services Commission has recommended that the **Grayson Rural Electric Cooperative Corp.** consider merging with another electric utility. A report compiled by **Vantage Energy Consulting** noted that a merger would provide Grayson with “financial stability, a new and stronger management team, improved policies and a broader-based organization.” Otherwise, Grayson RECC “will continue to limp along” financially while struggling to serve a territory that is economically distressed and experiencing little growth. Grayson serves about 14,150 customers in Carter, Elliott, Greenup, Lawrence, Lewis and Rowan counties in Eastern Kentucky.

HICKMAN

■ **Tokai Carbon GE**, a manufacturer of graphite electrodes for the U.S. steel industry, is investing \$25 million to install new equipment at its plant in Hickman. The project, which will add up to 15 full-time jobs to the existing 50-member staff, will allow the company to increase production and better serve customers.

HIGHLAND HEIGHTS

■ **Northern Kentucky University** and Cincinnati-based supermarket giant **Kroger** have expanded their partnership to include the new **Kroger Technology & Digital Innovation Lab**, where NKU students will gain hands-on experience alongside associates from Kroger’s research and development group. The teams will focus on initiatives that directly impact Kroger customers across the nation, including nutrition, health and wellness, and video analytics.

FORT KNOX

U.S. ARMY SELECTS FORT KNOX AS NEW CORPS HQ, ADDING 635 MORE SOLDIERS

THE U.S. Department of the Army has selected **Fort Knox** as the home of the new corps headquarters. According to a statement announcing the new plan, the Army said the new headquarters facility is “urgently needed to fulfill National Defense Strategy requirements and support U.S. forces and operations in Europe.”

Fort Knox will be the fourth corps headquarters location activated and will be called Fifth Corps (V Corps). The new corps headquarters location will bring approximately 635 additional soldiers to Kentucky, which is one of the most military-friendly states in America. The Army plans to activate V Corps headquarters by the fall of 2020.



LOUISVILLE

UPS EXTENDS METRO COLLEGE PROGRAM THAT PROVIDES JOBS PLUS FREE TUITION



UPS photo

According to an economic analysis by Meenck and Shanker, UPS is responsible for bringing 62,000 direct and indirect jobs to Kentucky.

UPS and Louisville Metro Government have officially agreed to an extension of the **Metropolitan College** program, which provides participants with part-time

employment at UPS while pursuing a postsecondary education tuition-free.

Metro College began in 1998 as a partnership between the **Commonwealth of Kentucky**, **Louisville Metro Government**, **Jefferson Community and Technical College**, the **University of Louisville** and UPS. The program aims to improve employee recruitment and retention at **UPS Worldport**, the global package delivery company’s international all-points air hub.

The new agreement extends the program to April 15, 2027. Under the extension, Metro College will be more intentional in encouraging students to consider careers in high-demand fields and improving career pipeline opportunities. The high-demand fields will be defined by local economic trends, growth opportunities and employer needs. Current fields include computer science and engineering, computer information systems, finance, accounting, and other degrees and certificates offered at UofL and JCTC.

According to UPS, more than 20,000 students have participated in the program (at least one semester) since 1998, including students from more than 100 Kentucky counties. Enrollment for the 2018–2019 academic year was 2,313. The program has improved UPS employee retention by 80%.



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BUSINESS BRIEFS

LEXINGTON

■ **Junior Achievement of the Bluegrass** has taken over management of the **Leadership Lexington Youth Program**, which works to prepare high school students for leadership through education and hands-on interaction. Participants attend a variety of day sessions focused on topics that include the arts, government and public safety, health and human services, higher education and more. **Commerce Lexington Inc.** has managed the program since 2004 but decided that Junior Achievement was better equipped to manage the youth program going forward.



LOUISVILLE

■ **Kansas City developer Hunt Midwest** is developing a 322,000-s.f. speculative industrial building on 20 acres in Blankenbaker Station, a mixed-used business park in eastern Jefferson County that is adjacent to the local **FedEx**

Ground terminal and close to the **UPS Worldport**, downtown Louisville, and Ford's **Kentucky Truck and Louisville Assembly Plants**. Hunt Midwest CEO Ora Reynolds called Louisville "a logistics epicenter driving the need for e-commerce distribution space" and said the area's "strong workforce ... and nonexistent occupational taxes have given Louisville an advantage over other metro areas." The building is expected to be complete by December 2020.

■ The **University of Louisville** has launched a new online executive master of science in health administration degree. The online executive MSHA is designed for health care professionals with at least five years of experience and admits both administrative and clinical leaders, including physicians, dentists, nurses and allied health providers. The two-year degree prepares students for higher-level leadership and responsibilities such as overseeing and managing services, programs, staff, budgets, facilities and systems.

■ **Niagara Bottling**, one of the nation's leading manufacturers of private-brand bottled water, is expanding its bottling facility in the **River Ridge Commerce Center** just nine months after opening the Jeffersonville (Ind.) plant. The \$37 million project will expand two existing lines to help meet rapidly increasing customer demand and will add 27 more employees by the end of 2023.



■ **Kentucky Trailer** has merged its animal feed subsidiary, **CEI Equipment Co. (CEI Pacer)**, with the animal feed transportation division of **Warren Manufacturing** to form **KT Pacer**, a Kentucky Trailer company. Kentucky Trailer, a Louisville-based manufacturer of custom trailers, truck bodies and mobile workplace solutions, entered the feed transportation market in 2018 with the acquisition of Iowa-based CEI Pacer and further expanded with the acquisition of Warren Manufacturing's animal feed transport division assets in Alabama in July 2019. Manufacturing operations for KT Pacer will continue in both Iowa and Alabama. The merger makes it one of the largest feed transport solution companies in North America.



Boston-based company to add capacity and expand its product portfolio. The plant is expected to create at least 40 new jobs.

■ **Packaging Technology Group Inc.**, a provider of thermal packaging for the biopharmaceutical and life sciences industries, is opening a new manufacturing center in Louisville in April. The new facility will allow the

LOUISVILLE

UofL TEAMS WITH PFIZER TO RESEARCH DISEASES PREVENTABLE BY VACCINES

A new collaboration with **Pfizer Inc.** will enable the **University of Louisville's** Division of Infectious Diseases to play a significant role in epidemiological research related to vaccine-preventable diseases affecting adults.

The research data will provide evidence to national health officials and independent policy makers who develop recommendations for the use of vaccines in immunization programs worldwide. Studies will take place in hospitals, long-term care facilities and the community.



UofL is the first Center of Excellence selected by **Pfizer Vaccines Medical Development and Scientific/Clinical Affairs** to be part of an international network of epidemiological research

organizations. A statement announcing the collaboration noted that the demographics of Jefferson County are similar to that of the United States in general, including racial and ethnic make-up, socioeconomic status, and the proportion of rural and urban populations.

Pfizer studies anticipated for UofL include population-based surveillance of infectious diseases including *Streptococcus pneumoniae*, a bacteria which causes pneumonia and other infections; *Clostridioides difficile*, a bacteria that causes severe diarrhea and colitis; and respiratory syncytial virus (RSV), a common virus associated with mild cold-like symptoms but which can cause severe infection in some people, including older adults.

LEXINGTON

NEW PROGRAM OFFERS BUSINESS LOANS TO SMALL BUSINESSES, ENTREPRENEURS

COMMUNITY Ventures has received \$749,000 in federal funds for a new loan program that will provide business loans to small-business owners and entrepreneurs throughout Kentucky.

The Lexington-based nonprofit organization's **Impetus Fund** is a loan program designed to lend \$3 million to Kentucky micro-entrepreneurs and small-business owners looking to start or grow their businesses, purchase new equipment or inventory, and create new jobs across the commonwealth. As part of the new loan product, qualifying micro-entrepreneurs and small business owners may also be eligible for four months of interest-only payments. Community Ventures created the new loan fund to allow low-income micro-entrepreneurs and small-business owners who may have had difficulty borrowing from traditional lenders to be able to borrow between \$5,000 and \$1 million.

Community Ventures has also committed to using \$149,000 of the federal funds to lending in persistent-poverty counties in Eastern Kentucky. Persistent-poverty counties are those where the poverty rate has exceeded 30% for each of the last three 10-year census recordings. Community Ventures plans to use the funds to spark economic development, create jobs and encourage local entrepreneurship in various counties in Eastern Kentucky.



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BUSINESS BRIEFS

LOUISVILLE

■ Louisville-based health insurance company **Humana** has formed a joint venture with private equity firm **Welsh, Carson, Anderson & Stowe** (WCAS) that will focus on expanding access to value-based primary care for **Medicare** patients. The joint venture will develop and operate senior-focused primary care centers that will be managed by Humana's wholly owned primary care subsidiary, **Partners in Primary Care**. Humana and WCAS are making an initial commitment of approximately \$600 million to the joint venture. WCAS will have a majority ownership in the new company, with Humana owning a small minority stake.

MOUNT STERLING

■ **Wastequip**, a North Carolina company that manufactures waste-handling equipment, is investing more than \$7 million to locate a new distribution center in Mount Sterling that will create up to 100 full-time jobs. The location will primarily support **Pioneer** and **Go To Parts** branded products, as well as house a shipping center and offices for corporate and customer service staff. The facility will accommodate Wastequip's plans to expand aftermarket parts distribution and is expected to be operational by July 2020.



MOUNT VERNON

■ Mount Vernon has received a \$1 million community development block grant to help a local company grow and add more jobs. **Kentucky Farmaceuticals LLC** specializes in storing and processing Kentucky-grown hemp for cannabidiol (CBD) oil extraction and refinement. Mount Vernon will use the grant to purchase equipment that will be leased to Kentucky Farmaceuticals so they can meet industry demands. The project is expected to create 50 full-time jobs over the first two years.

MOUNT WASHINGTON

■ Florida-based **Kaycha Labs** has opened a new hemp and cannabis testing facility in Mount Washington. The lab serves hemp industry cultivators, processors, manufacturers and retailers and offers a full panel of testing that includes analysis for potency, pesticides, heavy metals, residual solvents and more.



MURRAY

■ **Murray State University** has announced that it will begin contracting its custodial and grounds services to an outside firm, beginning April 13, 2020. According to a statement released by the MSU, the "change will save the university several million dollars over the course of the contract due to current pension system rates of 49%, proposed to increase to 93% on July 1, 2020 (and) provide operational savings and efficiencies for the institution." The decision to utilize an outside vendor will eliminate 64 custodial and ground services employees.

PADUCAH

■ After suspending operations in late 2019 and laying off more than 100 employees due to a raw materials shortage, **Genova Products** has announced it will permanently close its plant in Paducah while continuing to search for a new buyer for the company. The Michigan-based company produces vinyl plumbing products and as of last year operated five manufacturing plants across the U.S. but is now closing its Fort Wayne, Ind., and Paducah facilities.

SOMERSET

■ The **University of Kentucky College of Nursing** and the **University Center of Southern Kentucky** in Somerset have partnered on a new hybrid RN-BSN bachelor's degree program to help alleviate a nursing shortage in Southern and Eastern Kentucky. The new program provides a track for students who earn an associate degree in nursing from **Somerset Community College** to earn a bachelor of science in nursing from UK without having to leave the Somerset campus.



NORTHERN KENTUCKY

NKU, GATEWAY UNVEIL PROGRAM THAT OFFERS FREE TUITION TO AREA STUDENTS

NORTHERN Kentucky University and Gateway Community and Technical College have unveiled a new program that offers free tuition and enhanced benefits for Pell-eligible high school students from Northern Kentucky's communities.



The River City Promise Program will be offered to students from Bellevue, Dayton, Holmes, Lloyd, Ludlow and Newport high schools who graduate in May 2020 and beyond. The program builds upon the **Gateway2NKU** dual-admission program, which offers explicit degree pathways for students by eliminating financial barriers to college.

"To truly increase access, it takes a holistic approach to ensure students have a clear path on their educational experience," said NKU President Ashish Vaidya. "As we were renewing the successful Gateway2NKU program, it became clear that we could make a greater impact by extending it to high school students, so they begin their higher education journey with support from both institutions."

All students participating in the RCP and Gateway2NKU programs will have access to a service center on Gateway's campus that will provide advising, financial literacy, admissions guidance and career alignment services.

GLASGOW

LSC TO CLOSE 1M-SF GLASGOW PRINTING PLANT IN JULY, ERASING 571 AREA JOBS

LSC Communications is closing its magazine division in Glasgow in July as part of a cost-reduction strategy that also includes closing plants in Virginia and Illinois.

Chicago-based LSC, one of the world's largest commercial printing companies, is also one of Barren County's largest employers. The closing will eliminate 571 Glasgow jobs.

The 1 million-s.f. plant has long been a major presence in Glasgow, opening in 1968 as **RR Donnelley and Sons** and at one time employing more than 1,000 employees. LSC was established in 2016 as part of a corporate spin-off of RR Donnelley.

LSC Chairman, CEO and President Thomas J. Quinlan said the closings "represent another effort to address the significant structural changes in our industry. With many print titles moving to a fully digital platform, decreasing their frequencies, page and/or run counts, or closing entirely, our strategy is to further align our platform with these industry trends."

With the most recent announcement, LSC will have closed eight facilities and eliminated 2,500 jobs since July 2019. Layoffs in Glasgow are expected to begin March 16 and continue through June 1. The company says it is offering severance packages and transition assistance as well as potential relocation opportunities, and the City of Glasgow is working to help LSC employees find employment once the facility closes.



LEXINGTON

BAPTIST HEALTH CONTINUES TO GROW BY BUYING OUTPATIENT SURGERY CENTER

BAPTIST Health Lexington has acquired the **Kentucky Surgery Center**, a 28,000-s.f. facility in Lexington that features seven operating rooms and two procedure rooms.

The newly formed venture, **Baptist Health Surgery Center**, has approximately 100 credentialed surgeons and 65 employees and will offer a variety of outpatient procedures such as joint replacements and colonoscopies.

Baptist Health administrators said they anticipate the center will handle around 7,000 procedures in 2020.

In November, Baptist Health announced plans to open an outpatient-centered medical campus on 129 acres in Lexington's Hamburg area near Interstate 75. The Baptist Health Surgery Center will eventually become a part of the Hamburg campus. The first phase of that project is expected to start in the fall and will include an emergency department and medical office buildings.



LEXINGTON

TEMPUR SEALY TO ACQUIRE MAJORITY STAKE IN SHERWOOD BEDDING FOR \$40M



Sherwood Bedding is one of the top bedding producers in the United States.

LEXINGTON-based **Tempur Sealy International**, one of the most well-known manufacturers in the bedding industry, has signed an agreement to acquire a majority ownership interest in **Sherwood Bedding**, one of the top 10 bedding producers in the country.

Sherwood is a low-cost, high-value producer of private label products for third-party retailers and the contract bedding market. The company operates four manufacturing facilities across the United States, including one in Wilder, Kentucky. Tempur Sealy's stake in Sherwood marks its entrance into the private-label category and complements Tempur Sealy's well-known branded products, which include **Tempur-Pedic**, **Sealy** and **Stearns & Foster**.

Tempur Sealy is purchasing an 80% stake in Sherwood for approximately \$40 million. The Ellman family, the third-generation owners of Sherwood, will maintain a 20% ownership interest in the company. Sherwood Bedding will be operated as a stand-alone, independent business within Tempur Sealy and will continue to be led by its current management team.

"Sherwood Bedding's flexible and efficient operating model, focused primarily on value and high velocity price points, complements Tempur Sealy's iconic brands, powerful distribution model, and supply chain," said Tempur Sealy International Chairman and CEO Scott Thompson.

According to investment research firm Zacks, Tempur Sealy's stock has gained 70.3% over the past year, "broadly outperforming the industry's 26.1% rally." Zacks noted that the company's performance has been built on "new innovative products' development, operational synergies, go-to-market strategy, healthy gross margin expansion and broad-based sales growth."

BUSINESS BRIEFS

WILDER

■ **TMK Ipsco Tubulars Inc.** has notified the state of its intent to lay off 87 workers at its plant in Wilder, effective April 5. The announcement follows the company's recent acquisition by Luxembourg-based **Tenaris S.A.** TMK Ipsco manufactures steel piping used for oil and natural gas transit.

■ **The Castellini Group**, one of the largest fresh-produce distributors in the nation, is expanding its facility in Wilder to house its **Crosset Co.** and **Grant County Foods** lines. The combined business lines will operate under the Castellini name. The Grant County Foods facility in nearby Dry Ridge is being closed and will be sold. The Dry Ridge facility employs approximately 90 people, around 50 of whom will have opportunities to continue to do the same type of work at the Wilder location. Those who do not move over to the Castellini facility in Wilder will be offered a severance package and transition benefits.

Castellini Group photo



WINCHESTER

■ **Laura Freeman**, the founder of **Laura's Lean Beef** and owner of **Mt. Folly Farm** in Winchester, has added a new venture to her resume with the opening of **Wildcat Willy's Distillery**. Located in downtown Winchester, Wildcat Willy's distills grains and sweet potatoes grown on the farm and also features a farm-to-table

restaurant and bakery. In addition to serving vegetables grown on the farm, Freeman says she has returned to the beef business and has pasture-raised beef on the menu, along with wheat that is milled at the farm. In recent years, Mt. Folly has focused on producing organic hemp used in a variety of CBD (cannabidiol) products.

STATE

■ The **U.S. Department of Agriculture** has invested more than \$55 million in four high-speed broadband infrastructure projects in rural Kentucky. The projects, part of the first round of the USDA's **ReConnect Pilot Program**, will create or improve rural e-connectivity for more than 12,250 rural households and nearly 100 farms and businesses across Kentucky and northern Tennessee. The Kentucky counties that will benefit from the project include Adair, Breathitt, Cumberland, Fulton, Graves, Hickman, McCracken and Russell.

■ **The Aspen Institute**, a nonpartisan forum that focuses on values-based leadership and the exchange of ideas, has ranked three Kentucky colleges in the Kentucky Community and Technical College System among the top 150 in the country. **Big Sandy Community and Technical College**, **Southcentral Kentucky Community and Technical College** and **West Kentucky Community and Technical College**



were selected from a pool of nearly 1,000 public two-year colleges nationwide using publicly available data on student outcomes. The three colleges are now eligible to move into phase two of the \$1 million 2021 Aspen Prize for Community College Excellence.

■ More than \$170,000 has been returned to the **Kentucky Office of Medicaid Fraud and Abuse Control** as part of a multistate agreement with web-based electronic health records company **Practice Fusion Inc.** The agreement settles allegations that the company accepted payments from specific drug manufacturers in exchange for promoting the same manufacturers' drugs to physicians using Practice Fusion's software, a violation of the federal Anti-Kickback Statute and Civil Monetary Penalties Law and related Kentucky statutes. Practice Fusion promoted drugs to physicians using pop-up notifications in the company's software, suggesting a particular drug be considered as physicians evaluated patients' medical histories.

INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ **U.Group**, a Washington, D.C.-based technology company, has selected Indianapolis as the site of its first Midwest operation and plans to hire up to 100 employees there by the end of 2020. U.Group, which employs nearly 300 associates across its three offices and off-site, launched in 2019 as a new brand by **ByteCubed**, a technology firm specializing in government IT innovation, and **CHIEF**, a D.C.-based full-service digital agency. U.Group merges the two business operations and offers comprehensive customer-centric technical solutions for the public and private sectors.



■ **Contour Airlines** has announced plans to establish an aircraft base at the **Indianapolis International Airport** and launch three new domestic routes. The Tennessee-based air carrier is purchasing additional **ERJ-135/145** aircraft to establish its new base of operations, which will initially house two

of the regional jets. The company plans to hire up to 55 employees for the base by the end of 2023. The new daily air service will connect Indianapolis to Nashville, St. Louis and Pittsburgh.

■ **Dometic Corp.** is closing its facility in LaGrange, Indiana, where it produces awnings for recreational vehicles. The company plans to move the operations to an existing plant in Mexico. The closing is to be complete by the end of March and will impact 197 employees.

OHIO

■ **MITEC Powertrain**, which has been a supplier to **General Motors** since 2012, is closing its plant in Findlay, Ohio, by the end of the year, leaving more than 200 employees out of work. MITEC's Germany-based parent company, **MITEC Automotive Group**, filed for bankruptcy in 2018 and in late 2019, the assets of MITEC Automotive Group in Germany were sold.

■ **Midmark Corp.**, an Dayton, Ohio-based company that specializes in medical, dental and veterinary products and services, is investing \$4.5 million to expand its manufacturing plant in Versailles, Ohio. The project adds to the company's previously announced plans to build a technology and customer experience center in Versailles. Once completed, the centers will bring together Midmark engineers, designers and experts from across the company to develop new approaches, technologies and solutions. The manufacturing expansion is expected to add 99 new jobs over the next several years.

TENNESSEE

■ **Amazon** is establishing a new 885,000-s.f. fulfillment center in Memphis that will create 1,000 new full-time jobs. The facility is expected to be operational in time for the 2020 holiday shopping season.



■ **Accenture**, a global professional services firm, is expanding its presence in Nashville. The Fortune 500 company plans to move into a new space at the **Madison Mill** site later this year and will be adding 165 new technology jobs. Accenture has offices and operates in more than 200 cities across 52 countries.

■ **Adient** is investing more than \$23 million to expand its manufacturing facility in Lexington, Tenn., where it produces automotive seating. The expansion – the company's second significant investment in the plant in the last two years – will create approximately 330 new jobs.

■ **Minth Group** plans to add 254 new jobs as part of an \$87 million expansion of its plant in Lewisburg, Tenn., where it produces injection-molded plastic components for the automotive industry. The project will add 236,000 s.f. to the company's Lewisburg facility.

INDIANA

TOYOTA ANNOUNCES ADDITIONAL \$700M INVESTMENT, 150 NEW JOBS IN INDIANA

TOYOTA Motor Manufacturing Indiana (TMMI) has invested an additional \$700 million in its Princeton, Ind., operations and added 150 new jobs to complete the transformation of its plant modernization project, announced in January 2017.



Toyota photo
Last year, the Toyota manufacturing plant in Princeton, Ind., produced more than 362,000 vehicles.

The project has added a total of 550 new jobs and represents a total new investment of \$1.3 billion, which was used for retooling, new equipment installation and advanced manufacturing technologies to further modernize the facility and meet the strong demand for the 2020 Toyota **Highlander**. Employment at the Princeton plant now exceeds 7,000.

Last year, the Indiana plant produced more than 362,000 units of the Toyota Highlander, **Highlander Hybrid**, **Sienna** and **Sequoia**. TMMI consolidated all Highlander production in Indiana in 2012, added production of the Highland Hybrid in 2013 and announced plans to increase production of the Highlander by 30,000 vehicles per year in 2014.

In addition to the latest plant investment, TMMI also announced its commitment of \$1 million to a new regional workforce program to connect high school students with career opportunities in advanced manufacturing.

OHIO

MACY'S CLOSING CINCINNATI HQ, 125 STORES IN MAJOR RESTRUCTURING MOVE



Hixson photo
Macy's is closing its corporate headquarters office in downtown Cincinnati as part of a major restructuring plan. The headquarters will be consolidated in New York.

RETAIL giant **Macy's** has unveiled a three-year plan to stabilize profitability that includes cutting approximately 2,000 corporate and support jobs; closing its San Francisco, downtown Cincinnati and Lorain, Ohio, offices; and closing 125 stores.

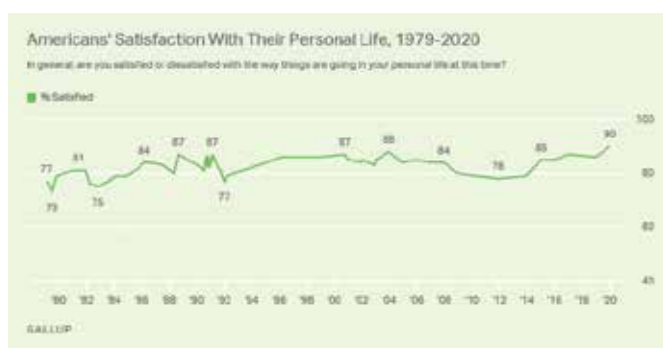
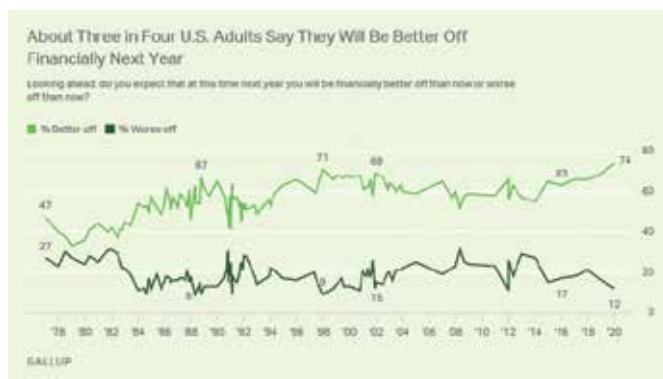
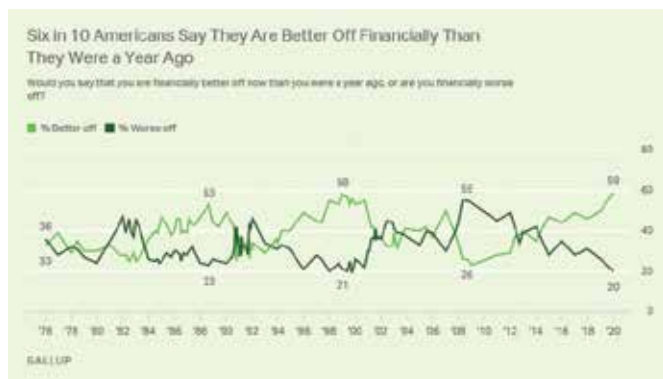
Components of the company's Polaris strategy include expanding its customer loyalty program; taking a more focused approach to the higher-margin private brands business; and continuing to invest in company websites and mobile apps, where a growing digital business is generating more than \$6 billion per year in sales. The company also plans to expand its off-price offerings, **Backstage** and **Bloomingdale's The Outlet**, and test a new store format, **Market by Macy's**, that delivers a mix of curated Macy's merchandise and local goods along with local food and beverage options and community events. The first Market by Macy's opened in early February in Dallas.

The macys.com headquarters will relocate from San Francisco to New York, which has been designated as the company's sole corporate headquarters. The company is also closing its Tempe, Arizona, customer contact center and consolidating customer service work into its Mason, Ohio, and Clearwater, Florida, facilities.

The company expects the Polaris strategy to generate annual gross savings of approximately \$1.5 billion.

HAPPY DAYS ARE HERE AGAIN AS AMERICAN OPTIMISM HITS RECORD HIGH

In spite of the angst and chaos that seems to dominate the social media and news landscape, it turns out Americans are really pretty content right now. The latest Gallup poll shows that Americans' views on their personal financial situations have been climbing since 2018 and are now at or near record highs. Furthermore, they are also expressing a high level of optimism about their future personal financial situation, with the significant majority predicting they will be better off financially a year from now – the highest in Gallup's trend since 1977. That optimism is translating to an overall positive outlook on their personal lives as well, with 90% of Americans saying they are satisfied with the way things are going in their personal life. That's a new high in Gallup's four-decade trend and bests the previous high of 88% recorded in 2003.



U.S. SATISFACTION WITH PERSONAL LIFE, BY SUBGROUP RANKED BY % SATISFIED

	Satisfied %	Very satisfied %
\$100,000+	96	76
Republicans	93	80
Married	93	74
College graduate only	93	71
Men	92	67
Postgraduate	92	66
Age 18-34	92	62
\$40,000-<\$100,000	92	66
Whites	92	67
Age 55+	90	67
Have children under 18	90	68
Have no children under 18	89	64
Some college	89	63
Independents	89	60
Age 35-54	87	63
High school or less	87	62
Women	87	63
Nonwhites	86	59
Unmarried	86	56
Democrats	86	56
<\$40,000	80	54

Source: Gallup

CORPORATE MOVES

New leadership for Kentucky businesses

BIG MOVES

■ Lexington-based Bank of the Bluegrass has announced the following promotions:

Debbie Jackson – vice president



Debbie Jackson

Jennifer Frye – vice president, senior mortgage loan originator



Jennifer Frye

Joan Sybolt – vice president, head bookkeeper, security officer.



Joan Sybolt

■ **Matthew Vernon** has been named project manager for L.E. Gregg, a Lexington geotechnical, environmental and materials engineering firm.



Matthew Vernon

■ **Jeff Jennings** has been appointed as a shareholder of investment manager firm MCF. Jennings is based in the firm's Lexington office.



Jeff Jennings

■ **Scott Schuette** has joined McBrayer law firm's Lexington office, where he will focus on construction law, eminent domain, dispute resolution and general litigation issues.



Scott Schuette

PROMOTED LISTINGS

ARCHITECTURE/ENGINEERING

■ The Lexington-based firm of Sherman Carter Barnhart Architects has promoted **Kevin Matthews** to principal. The following professionals have been named associate principals: **Allison Commings, Andrew Owens, Brandon Ward, Ian McHone, Jennifer Cash, Susan Mooney** and **Tony Pham**.

BANKING

■ **Adam Metzger** has joined Central Bank as vice president, retail banking officer at the company's Crestview Hills banking center.



Adam Metzger

■ **Rockie Mason** has joined Cumberland Valley National Bank & Trust as market president for Lexington.



Rockie Mason

■ **Amy Futrell** has joined FNB Bank as market president for Murray-Calloway County.



Amy Futrell

■ **Andy Baker** has been named CEO of Traditional Bank. **Dan Mason** has been promoted to president of the company.



Dan Mason

BUSINESS DEVELOPMENT

■ **Larry Horn** has been named executive director of the Louisville Entrepreneurship Acceleration Partnership.

CONSTRUCTION

■ **Jeff England** and **Jeremy Walker** have joined the ownership team of Lexington-based Dean Builds.



Jeff England



Jeremy Walker

England is vice president of operations for the company. Walker is a senior project manager and director of Dean Builds Self Perform.

EDUCATION

■ **Milton C. Moreland** has been named president of Centre College. He succeeds **John A. Roush**, who retired after serving as president of Centre for 22 years.



Milton C. Moreland

■ **Alice Shade** has been named entrepreneur-in-residence at the University of Louisville's Office of Research and Innovation.

■ **Brien Lewis** has been named president of Transylvania University.



Brien Lewis

■ **Ginni Fair** has been named dean of Northern Kentucky University's College of Education.

■ **Roy Gifford** has been named assistant vice president for marketing and communications at Northern Kentucky University.

HEALTH CARE

■ **Kimberly Rallis** has joined UofL Health – Jewish Hospital as executive director of the transplant program.

■ **Jason Zachariah** has been appointed chief operating officer for Louisville-based Kindred Healthcare. Zachariah will continue to serve as president of Kindred Rehabilitation Services.



Jason Zachariah

HUMAN RESOURCES

■ **Jennifer Wheatley**, president of HR Affiliates, has become a partial owner of the Louisville-based company. **Paula Agee** has joined the company as director of operations.

GOVERNMENT

■ **Dr. Steven Stack** has been named commissioner of the Kentucky Department of Public Health.



Steven Stack

■ **Kent Chandler** has been named executive director of the Kentucky Public Service Commission.



Kent Chandler

LEGAL

■ Dinsmore & Shohl LLP has named **Matthew P. Gunn** as leader of the firm's Immigration Practice Group. **Adrianne Strong** has been elected to the firm's partnership. Strong works with the firm's commercial litigation group.



Adrianne Strong

■ **Wes Harned** has been named as a new member of Rose Grascam Camenish Mains PLLC.



Wes Harned

■ **Trey Grayson** has been named managing director for CivicPoint, a subsidiary of Frost Brown Todd LLC.



Trey Grayson

TOURISM

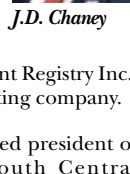
■ **Katie Fussenegger** has been named vice president of the Kentucky Derby Museum in Louisville.



Katie Fussenegger

OTHER

■ **J.D. Chaney** has been named executive director/CEO for the Kentucky League of Cities.



J.D. Chaney

■ **Michael Steinmetz** has been appointed chief financial officer for Management Registry Inc., a Louisville staffing and recruiting company.

■ **Casey Birge** has been named president of Junior Achievement of South Central Kentucky.

DEPARTURES

■ **Tom Delacenserie** has retired from the Kentucky Lottery Corp., where he has served as president and CEO since May 2017.

ON THE BOARDS

Kentuckians named to organizational leadership roles

BLUE GRASS AIRPORT

■ The following individuals have been named officers for the Blue Grass Airport board of directors for 2020: Chair – **Elizabeth Woodward**; Vice Chair – **Garven Denning**; Treasurer – **Daniel Mason**; and Secretary – **James Coles**.



Elizabeth Woodward

CENTRAL BANK

■ **Ulysses Lee “Junior” Bridgeman** has been elected to the board of directors at Lexington-based Central Bank.

COMMUNITY ACTION COUNCIL

■ The Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties Inc. has elected new officers to its board of directors for the coming year: Chair – **Denise Beatty**, Kentucky Health Information Exchange/Cabinet for Health and Family Services; Vice Chair – **Daniel Murphy**, assistant dean of community engagement and diversity at the University of Kentucky; Treasurer – **Joshua Lewis**, iVisionary Capital Partners; Vice Treasurer – **Kimberly Baird**, assistant commonwealth attorney for the Lexington-Fayette Commonwealth Attorney; and Secretary – **Michele C. Lee**, Lexington Housing Authority.

GATEWAY COMMUNITY AND TECHNICAL COLLEGE

■ **William Brown**, **John Hayden** and **Ruth Howell** have been appointed to the board of directors at Gateway Community and Technical College.

GREATER LOUISVILLE INC. (GLI)

■ The following individuals have been elected to the executive committee for the 2020 board of directors of Greater Louisville Inc. (GLI): Chair – **Lonnie Bellar**, LG&E & KU Energy LLC; Immediate Past Chair – **Mike Ash**, Fifth Third Bank; Incoming Chair – **Jennifer Willis**, Humana; Secretary – **Brian A. Cromer**, Stites & Harbison; Treasurer – **Jim Allen**, R. W. Baird & Co.; **Russ Cox**, Norton Healthcare; **Condrad Daniels**, HJI Supply Chain Solutions; **Steve Gault**, Stephen C. Gault Co.; **Tierra Kavanaugh Wayne**, TKT & Associates; **Charlie Scholtz**, Brown-Forman Corp.; and **Purna Veer**, V-Solf Consulting Inc. New voting directors are: **Lisa Benson**, Louisville Business First; **Daryn Demeritt**, BrightSpring Health Services; **Susan Donovan**, Bellarmine University; **Jennifer Eberle**, HighNote; **Steve Gault**, Stephen C. Gault Co.; **Demetrius Gray**, WeatherCheck; **Jeffrey Jasnoff**, Kindred Healthcare; **Franklin Jelsma**, Wyatt Tarrant Combs; **John Megibben**, Messer Construction; **Victoria Russell**, Papa John’s International; **Brad Seigel**, Caesars Southern Indiana; and **Kent Suiters**, GE Appliances.

KENTUCKY BOARD OF ARCHITECTS

■ **Franklin Gray** has been appointed as a member of the Kentucky Board of Architects. Gray, of Lexington, is an architect with Gray Construction.

KENTUCKY BROADCASTERS ASSOCIATION

■ **Julie Schmidt** has been named chair of the Kentucky Broadcasters Association board of directors. Schmidt is senior director of external affairs for Kentucky Educational Television (KET).

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

■ **Ben Brandstetter** has been elected chair of the Kentucky Council on Postsecondary Education, with **Kimberly Halbauer** serving as vice chair. Brandstetter of Hebron, is president of Brandstetter Carroll Inc., a national architectural and engineering firm. Halbauer is a senior vice president and investment advisors executive for Fifth Third Bank.



Ben Brandstetter



Kimberly Halbauer

KENTUCKY HORSE PARK COMMISSION

■ **Alston Kerr**, of Lexington, has been appointed chair of the Kentucky Horse Park Commission. Kerr is an equestrian farmer at Turkey Ridge Farm.

KENTUCKY HORSE RACING COMMISSION

■ **Charles O’Connor** and **Frank Jones** have been appointed to the Kentucky Horse Racing Commission. O’Connor, of Versailles, is the director of sales at Coolmore Stud. Jones, of Louisville, is president of Recreonics Inc.

KENTUCKY HUMANITIES COUNCIL

■ The following individuals have been appointed to serve on the Kentucky Humanities Council: **Brian Clardy**, Murray State University; **Tom Owen**, University of Louisville; **Penelope Peavler**, Cultural Tourism Consultants; **Judith Rhoads**, retired educator; and **Maddie Shepard**, Jefferson County Public Schools.

KENTUCKY PERSONNEL BOARD

■ **Demetrius Holloway** and **Tommy Chandler** have been appointed to the Kentucky Personnel Board. Holloway, of Louisville, is an attorney with Stites & Harbison PLLC. Chandler, of Providence, is a retired attorney and judge.



Demetrius Holloway

LEXINGTON CLINIC

■ The Lexington Clinic board of directors has announced its officers for the coming year: President – Dr. **Stephen C. Umansky**; Vice President – Dr. **Michael T. Cecil**; Secretary – Dr. **Kimberly Hudson**; and Treasurer – Dr. **Robert A. Davenport**.



Stephen C. Umansky

LOUISVILLE ARENA AUTHORITY INC.

■ **Leslie Geoghegan**, of Louisville, and **Deepak Tiwari**, of Prospect, have been appointed to the Louisville Arena Authority Inc.

PUBLIC RELATIONS SOCIETY OF AMERICA (THOROUGHBRED CHAPTER)

■ The Thoroughbred Chapter of the Public Relations Society of America has announced its 2020 board of directors: President **Natalie Partin**, Cornett; Past President – **Natalie Cunningham**, Kentucky Center for Economic Policy; President Elect – **Ryan Worthen**, Kentucky Employers’ Mutual Insurance (KEMI); Secretary – **Brittney Edwards Kinison**, Frontier Nursing University; and Treasurer – **Ashley Tabb**, UK Healthcare. Directors-at-large include Awards Co-Chair – **Cliff Feltham**, Kentucky Utilities (retired); Awards Co-Chair – **Katie McDaniel**, American Association of Equine Practitioners; Membership Chair – **Bethany Langdon**, New Vista; Ethics Chair, APR Co-Chair, National Delegate – **Holly Wiemers**, APR, University of Kentucky-Ag Equine; Diversity Chair – **Sara Jagers**, Kentucky Housing Corp.; Communications Chair – **Mackenzie Davis**, Wiser Strategies; APR Co-Chair – **Amy Preske**, APR, Buffalo Trace Distillery; and PR Co-Chair – **Brant Welch**, APR, Farmers National Bank of Danville.



Natalie Partin



Ryan Worthen

SOIL SCIENCE SOCIETY OF AMERICA

■ **Ole Wendroth** has been named president of the Soil Science Society of America. Wendroth is a professor and soil physicist in the University of Kentucky College of Agriculture, Food and Environment.



Ole Wendroth

UNIVERSITY OF LOUISVILLE

■ **Scott Brinkman**, **John Chilton** and **Randall J. Bufford** have been appointed as members of the University of Louisville board of trustees.

WESTERN KENTUCKY UNIVERSITY

■ **Sheldon McKinney** has been appointed as a member of the Western Kentucky University board of regents. McKinney, of Fleming County, is the executive director of the Kentucky FFA Foundation.

LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Emmanuel G. Collins

Emmanuel G. Collins became the ninth dean of the University of Louisville J.B. Speed School of Engineering in 2018. He came to UofL after 23 years at Florida A&M University-Florida State University (FAMU-FSU), where he was chair of the Department of Mechanical Engineering, its John H. Seely Professor, and founded and directed the Center for Intelligent Systems, Control and Robotics. As associate chair of graduate studies and college director of graduate student recruitment at FAMU-FSU, Collins focused on the matriculation and retention of STEM graduate students from underrepresented minorities. He holds bachelor's degrees from Morehouse College and the Georgia Institute of Technology and a master's degree in mechanical engineering and a doctoral degree in aeronautics and astronautics from Purdue University.

UofL SPEED SCHOOL OF ENGINEERING IS AIMING FOR A NATIONAL REPUTATION

Dean Emmanuel Collins says an increased emphasis on STEM education has engineering degree programs growing across the nation

BY MARK GREEN

Mark Green: J.B. Speed School of Engineering has eight degree tracks plus online programs and certificates. What types of engineering education are students seeking most, and does this match what the private sector needs?

Emmanuel Collins: Our largest programs are mechanical engineering and computer science and engineering. The largest demand is in computer science and computer engineering, and that's largely because of the revolution in artificial intelligence and data science, which are related. Our growth is taking place in the area that has the biggest demand, which is computer science and engineering. Mechanical engineering is also pretty highly in demand; they're the generalists in engineering. In recent years demand for them has really grown, and you've seen mechanical engineering programs grow everywhere.

MG: U.S. engineering school enrollment grew 40% just in the first half of the past decade, and that growth has been continuing. What is Speed School's experience?

EC: We definitely experienced growth similar to that experienced nationally. We experienced – in about an eight-year period – over 40% growth. We followed national trends. Now, do the students who start in engineering graduate in

engineering? More than half do, and among the ones who don't make it, a very significant percent move to another major outside of engineering. I think that we can do better at graduating the students who start with us, so we're putting together programs that will help ensure success in engineering for more of our students.

MG: What are some of the supports you're putting in to help students be successful as they go to engineering school?

EC: What we have now is a very good core of student advisors. Almost all of them have master's degrees in counseling or something related to that, and they do an excellent job of advising our students, helping them through hardships. What I think we can do much better is place them in the correct math when they come in. Some students on paper are calculus-ready, but in practice are not. They could use a little pre-calculus. Some could even use some high-level college algebra before they start on the mathematics track within engineering. If we properly place the students coming in, I believe we're going to see a significantly greater number finish engineering.

MG: What is driving this growth in engineering programs?

EC: I believe it's largely the fact that STEM (science, technology, engineering and math education) has been emphasized in our society and people know you can get good jobs in engineering. You're pretty much guaranteed to get a good job eventually if you have an engineering degree. Now, is that growth continuing? For (Speed School) it stagnated briefly, but we see that this year we're starting to get more. You have to aggressively recruit these students, and there's a lot of competition now. New engineering programs are being formed, and there's a limited pool of students. We have to be more aggressive in recruiting students to come here because the national trend is the number of high school students is going down; so it stagnated here, but we definitely are experiencing an uptick in this recruitment cycle. That's partly because of our more aggressive recruitment.

MG: What is the student body size of Speed School?

EC: We have roughly 2,700 and about 2,100 are undergrad.

MG: Do we know how growth in engineering education in Kentucky compares with that in other states? A few years ago Purdue, Virginia Tech, Georgia Tech and Ohio State each were graduating more engineering students than all Kentucky schools combined. Is everybody else growing also, or is Kentucky catching up?

EC: I don't know the figures elsewhere. I have a lot of contact with Purdue, being a Purdue grad myself. They are very large – larger than the University of Kentucky and University of Louisville, the two dominant Kentucky engineering programs, put together – and they also are experiencing a large amount of growth. Kentucky has begun putting a lot of emphasis on engineering education, but it's relatively recent. We are starting to experience that growth, but I don't think we're up with a state like Indiana.

MG: What attracted you to come to UofL? Was there something special that drew you here?

EC: I like this city. Though I had never been here, when we looked at the demographics and size of the city, it seemed like such a good fit, and I knew that the school had high potential. It was about the same size – I'm talking about School of Engineering (at Florida A&M) – that I came from, and it felt like it was a really good fit. My skill set and the needs of the school seemed to really match, so my wife and I put this at the top of the list of the possibilities of our movement.

MG: What are the key skills or emphases that matched?

EC: I have a strong research background, and I know how to put research programs together. I ran a research center, but I also had a department that had a lot of center leaders as faculty within the department. We have a good research base here, but we could use more of that type of center organization at a higher level than where we've had it. So, that was a very good match. Also, I have a knack for marketing, and this is a program that needs to be marketed. It is one of the best-kept secrets, not so much in Kentucky – we could be better known outside of the Louisville area – but nationally. We need to have a national reputation, and I love to take things that are unknown and make them known.

MG: What are Speed School's areas of focus and expertise that have the potential to be better known?

EC: It includes additive manufacturing; biomedical applications and devices; data science and artificial intelligence; energy and sustainability; engineering education; micro- and nanotechnology; robotics and automation; and also smart infrastructure.

MG: Does smart infrastructure mean 'internet of things' and its connected devices?

EC: Internet of things would be probably within the data science and AI area, because the internet of things takes a lot of data, processes it, and uses that to determine how to better control or regulate an engineering process.

MG: Let's talk about Speed School students. Where do they tend to come from, and does the school track where they go after graduation?

EC: A lot of them come from Kentucky, and we get quite a few from Indiana and a few from Ohio, but we actually get students from all 50 states. We do have, obviously, more who come from Kentucky. We are a state school, we recruit heavily within the state, but we actually get students to come from all states in the United States.

MG: How do they know about UofL?

EC: It sometimes is word of mouth. Maybe a guidance counselor points them in that direction, a family member had their origins in Kentucky, or they're doing an internet search and our name pops up.

MG: Some university research is considered outside investment that comes into the state and UofL is a research institution. What is Speed School's role in research at UofL?

EC: Research is essential to our identity as a college of engineering. We are tasked with being one of the research drivers at the University of Louisville. We started as a teaching-oriented program in our roots, but now teaching and research have grown to have more equal importance here. Over the past several years we've gone from about \$7 million in research expenditures (annually) to \$13 million in this past year. Our goal is to quickly – this is not a long-term goal but a relatively short-term goal – reach \$20 million in research expenditures. That should be our minimum base, so it's something we're putting emphasis on.

MG: There's been emphasis on STEM education for more than a decade now, and the impact at engineering schools is more students. Do students coming in the door nowadays have a better education, background and more expertise?

EC: More students in high schools are aware of engineering as a career than in the past. When I was a student – that was

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a long time ago – I had not thought of engineering as a career. I loved math, I was going to major in math, until I got in a minority Introduction to Engineering program that taught me about engineering. I instantly decided I wanted to be an engineer. But it wasn't something you talked about in my high school. My guidance counselors and teachers did not tell me engineering was a viable career. Now, most students know engineering is a viable career.

MG: Does engineering education require additional special resources or equipment compared to other programs?

EC: Yes, we have to have both teaching labs and research labs. That's the main difference. You have to have labs associated with some of your courses, and labs are relatively expensive and can only hold so many students at once. That differentiates us from, say, English or even business. We also do a lot of research, and many of our research thrusts require fairly expensive labs; sometimes very expensive labs. That's what differentiates us from some other programs.

Here, we have generous donors who will sometimes help to provide the lab equipment. Research-wise, we get some of our equipment from writing grants. Sometimes we get some resources from the university, or the college will use its budget to help build a research laboratory.

MG: Does the Speed School have enough resources?

EC: We absolutely could use more resources. If we're going to grow engineering in the state, we have to invest in engineering in the state.

As we grow the student population, we're going to need more faculty, and with engineering faculty you need start-up packages so that they can build labs and do research that is of relevance to the commonwealth and the nation. Those are the resources we need. Here at Speed School, some of our more historic buildings need to be refurbished, so we could definitely use significant money to renovate our older buildings.

MG: Are there any economic impact studies of the value of engineering programs?

EC: I've not seen one, but when I first got here I did a survey of the number of start-ups that are affiliated with Speed School's current faculty and staff – not going way back, just the people, faculty and staff who are here now. I don't remember the exact number, but I was pleasantly surprised at the fairly large number of start-ups that have come out of Speed School in recent years.

MG: What are some of the key private-sector problems that engineering schools are being asked to help solve today?

EC: Automation is a very big thing. Companies are automating their processes and using more and more robotics, so they come to us to help with this. Processing of large amounts of data, called big data, is something we address and industry needs. Sustainable energy is very, very big. How do you make solar more efficient? How do you store energy more efficiently? Many issues related to sustainable energy. And here within Louisville and within the university itself, we have a lot of emphasis on medical applications. At Speed School, we do a lot of work with biodevices, so you'll see a lot of start-ups work with us to develop devices that can be used in the health care industry.

MG: Tell us about the role of engineering certificate credentials. Is this sought by somebody who doesn't have the time or capability to get a full degree? Is it a degree enhancement? Is it a step towards a degree?

EC: In engineering, it's primarily degree enhancement. People who get certificates have other engineering degrees, but they may want to get a specialization. Maybe I'm a civil engineer, but I want to work more on the environmental side, so I take some classes and I get an environmental certificate. This is typical, at least here, and I think throughout engineering, it's more of a degree enhancer.

MG: What broad industrial or societal trends are especially affecting the field of engineering now? You've mentioned increasing digitalization and data...

EC: That's the area. What I would focus on is artificial intelligence and automation. Virtually all forms of engineering are now utilizing artificial intelligence. Even things like experimental fluids. I myself am in robotics, and we use a lot of artificial intelligence there, but you use it in ways that you might not think about. As a mechanical engineer, I did work in artificial intelligence. Why? If you're going to move a robot in a difficult environment or a robot that has complicated dynamics like the legged robot, if you want to develop mobility intelligence, you have to understand the dynamics of the environment and the vehicle and you have to marry that with artificial intelligence. You can use artificial intelligence in additive manufacturing to get a better product. It's used virtually everywhere.

Automation, too. It's really put an emphasis on robotics within engineering disciplines and it's not all in one department. You'll see mechanical

engineers working on it, you'll see electrical engineers working on it, you'll see computer sciences working on it. Something that's becoming bigger and bigger is bioengineering or biomedical engineering. That's not a traditional field of engineering, but more and more you see that the technology developed in bioengineering departments is needed by the health care industry, which is a very huge industry within and outside the United States.

MG: What Kentucky business sectors employ the most engineers, and what are some of the trends there?

EC: In Kentucky, many engineers are employed in the broad manufacturing industry. But within manufacturing you have a lot of work done in the aerospace industry, a lot of work done in the automotive industry, and here in Louisville we have GE Appliances, which is making devices that go in our homes: refrigerators, washing machines, etc. We also have quite a big employment in the spirits industry. Bourbon – something that Kentucky is well known for – employs a lot of engineers.

They try to make the processes more efficient. They try to save energy, to improve the product, to improve the way that you transport it. And they build the distillery; those are engineering systems.

MG: UofL and Louisville recently entered into special technology-focused relationships with IBM and Microsoft regarding artificial intelligence and big data and analytics. What is the impact of this on engineering and engineering education?

EC: For engineering, it supplies us with tools that we may not have access to because of cost. We already are working in pretty much the same areas as IBM and Microsoft, but they are providing tools that the engineering classes can use. By tools I mean software they develop. Software can be very expensive, and if they make it available to you either for free or at a low cost, you have something that you might not otherwise have to use. I think their biggest impact is on bringing those tools outside of engineering, where they were almost unknown. As we go forward, my vision is that you will see people who are in the non-STEM disciplines having more STEM knowledge; I believe that Microsoft and IBM are helping us to give some technology training to people outside of the usual STEM disciplines.

MG: How is Speed School doing at finding the faculty that it wants?

EC: We're an attractive program. Since I've been here we've done several

searches, and in each case we've been able to get the kind of faculty that we're looking for. We just replaced one of our chairs, or we did a search for a chair, and we were able to get a very high-quality faculty member in that position. I was attracted to this program because the university has a good foundation and high potential for growth, and it's in a city that's very attractive, so we're not struggling with finding good faculty.

MG: What are some of the collaborations that the school is doing with the private sector or with other schools? Are you doing projects with UK or Purdue or whomever?

EC: We have numerous projects with other schools, but that's done at the individual faculty level. We just got a 1A NSF EPSCoR (National Science Foundation Established Program to Stimulate Competitive Research) project with the University of Kentucky, which is perhaps \$13 million or so. We have too many partnerships to count with other universities, primarily through research. In terms of the private sector, we also have a huge number of partnerships.

One of Speed's distinctions is we have a co-op program. In a three-year period,

we'll have over 400 co-op partners. Each of these is a partnership with industry. With one company, we have a relatively exclusive master's program; they've agreed to send their engineers who want to get a master's degree to Speed School. Something that's recently gained visibility is our partnership with a diamond company. They make artificial diamonds, and we're exploring ways to use those diamonds within electronics. Many of our faculty work with small businesses through SBIRs or STTRs.

MG: There is some excited talk of a coming fourth industrial revolution with potential advances and impacts on quality of life from applying nanotechnology, material science, energy storage, additive manufacturing, robotics, and the internet of things. But it also could be very disruptive. Is the buzz warranted, or is it likely to play out more slowly and less fantastically?

EC: Honestly, I had not been hearing that term, but all these technology areas listed under this fourth industrial revolution I'm very familiar with. These are technologies that if you don't use them – say you're an industry and you don't adapt the ones that are most relevant to you – you will not stay

competitive. From an industrial point of view, when I think of these fourth industrial revolution technologies, it's saying that you need to be using the appropriate technologies to increase your efficiency and basically stay competitive.

Obviously, some of these things are going to have a dramatic impact on lives – say, in things related to robotics for the home – but only when they become affordable. Some things won't have a huge impact until they become affordable. You do see robotics at home right now because of the Roomba and products that are similar. Robotic vacuum cleaners are now becoming relatively ubiquitous in America, but that's because they can make them fairly cheap. Maybe you can get one for about \$300. So as these technologies are developed, it's not the fact that they exist that will change people's lives, it's that they exist and are affordable. Until they become affordable, they're not going to have that impact. ■



Mark Green is executive editor of The Lane Report. He can be reached at mark@lanereport.com.



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That Personal Touch is an Asset



Republic Bank has nearly 50 interactive teller machines in its service footprint in greater Louisville and Central and Northern Kentucky and plans to add more this year. They provide access to live video chat customer service with bank representatives into the evening and on weekends to assist clients with transactions.

You're seeing banks announce consolidations," said Key, whose bank has assets of about \$1.1 billion, 16 offices and ranks 13th largest among banks headquartered in Kentucky. "The banking industry as a whole is shedding branches. For the first time ever, in the last few years you're seeing less bank branches in the country."

Yet banks are striving to stay in touch. "We have to make sure that our customers don't treat us as a commodity," said Key, voicing a theme mentioned frequently by commonwealth bankers.

"We can't just be a transaction like many of those internet platforms are," said John Taylor, president and CEO of Louisville-based Limestone Bank and a 37-year industry veteran. "We're working hard to make sure we're adding value to the relationship so we're not directly competing with those commodity providers of either loans or deposit-type solutions."



*John Taylor,
President/CEO,
Limestone Bank*

Growing Kentucky banks compete and consolidate to pursue tech-savvy customers

BY GREG PAETH

KENTUCKY bankers asked to assess their business at the dawn of a new decade talk about a shrinking number of state-headquartered banks, a growing list of mergers and acquisitions, increasing competition from huge national banks, the increasing presence of intelligent/interactive teller machines from distant banks and the perpetual search for growth markets.

Common themes that seem somewhat contradictory emerge over and over among bankers who represent the fifth- and sixth-largest banks in the country and those whose institutions might rank – at best – 20th in Kentucky.

On one hand, banks want to provide every technological bell and whistle on the planet so millennials, Gen Z customers and anyone else can bank on their smartphone from Starbucks in about 11 seconds. On the other, banks want to provide a personal touch, a smile, a

handshake, an acknowledgement, a unique perspective, valuable expertise.

John Key, president of Commonwealth Bank and Trust in Louisville, recalls growing up in small town Marengo, Indiana, where Saturday morning trips with his mother to a full bank lobby were both business and social.

"You knew who the tellers were. You knew who the branch manager was. You knew the president by his first name," Key said, "and that was (the case) all over the country."

At a time with uncertainty about what the future might look like for banks in Kentucky and elsewhere, Key is absolutely certain that crowded lobbies with velvet ropes are part of history.

"That is never coming back. There are going to be less branches everywhere.



*John Key,
President,
Commonwealth
Bank and
Trust*

The impact of fewer branches

Banking "products and services are very similar across the spectrum. That's the business we're in," said Taylor. "You have to differentiate yourself based on people – the energy level, passion, training, commitment to values."

There is industry debate on the importance of bricks and mortar when more and more customers bank with a laptop or smartphone.

Limestone, for example, opened a new office in the heart of Lexington in late January and acquired four branches from Republic Bank & Trust last November, the latter filling some gaps in a U-shaped geographic footprint that hugs much of the I-65 corridor through the state.

Debra Stamper, executive vice president and general counsel for the Kentucky Bankers Association



*Debra Stamper,
Executive Vice
President,
Kentucky
Bankers
Association*

Association in Louisville, is vigilant about the shrinking number of state-chartered banks as well as decisions by in-state and out-of-state banks to shutter branches where walk-in or drive-in traffic is vanishing.

The most current data available from the FDIC (dated June 30, 2019) documents 172 banks operating in Kentucky with 146 of those based in the state. Twenty years ago there were 303 banks in the state and 284 headquartered here.

At this point, the state doesn't seem alarmed about the numbers.

"For the most part, state charters (banks) are buying state charters. ... It's pretty standard that this is happening nationwide; it's not isolated to Kentucky," said Marni R. Gibson, deputy commissioner and securities administrator for the Department of Financial Institutions, which regulates banking in Kentucky.



Marni R. Gibson, Deputy Commissioner, Kentucky Department of Financial Institutions

She suggested DFI might be more concerned if Kentucky banks were being acquired by out-of-state institutions.

"Mergers and acquisitions usually result in more services to the customers, more options for consumers," she said. "The main thing we're concerned about is the protection of our consumers."

Banks operate under either state or federal charters, Gibson said, with no substantive difference between the two for most consumers. "It's just a matter of who your regulator is and which laws you abide by," she said.



Jordan Hogge, internet lending specialist at Forcht Bank in Lexington, demonstrates one of the bank's new interactive teller machines (ITMs). Live tellers are available to customers from 7 a.m. to 7 p.m. Monday through Saturday via the bank's touchscreen ITMs, located inside and outside the bank.

However, the branch closings are "a concern for a number of reasons," the banking association's Stamper said. "Number one is lost jobs. Number two, is it a long-term trend or is it going to change? Are they going to close now and then realize they need them?"

"I talked to a banker recently who was opening branches but was uncertain about whether he was making the right decision because the trend was in the opposite direction," Stamper said.

What do tomorrow's clients want?

U.S. banks last year announced plans to close nearly 1,300 branches and open 432, according to WiseWage, a Durham, N.C.-based financial website. The numbers in Kentucky were modest: 14 closings and three openings, WiseWage said.

One reason for the decline in branches is the availability of loans from what Key describes as "non-bank banks," online companies that can lend money without investing in a community and facing scrutiny from regulators.

Commonwealth, he said, saw a 7% decline year-to-year in transactions

handled inside its offices, primarily because of the changing demographics of bank customers.

In downtown Covington, about a mile from its downtown Cincinnati headquarters, First Financial Bank is opening what it calls a "next generation" innovation center designed specifically for that new target demo: younger people who might want to stop in to lounge on a couch, enjoy free coffee, use the Wi-Fi and maybe – just maybe – do some banking.

Like the prototype that opened last August in Cincinnati, First Financial's four-story Northern Kentucky headquarters building will offer a number of free-to-the-public conference rooms.

"The bank – as we build it out – will be built for the next generation, (for) the style of banking that our consumer

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COVER STORY

behaviors are showing us as a society,” said Jacob Holbrook, the bank’s Northern Kentucky market president. “If you think about the 2030s ... It’s what society is going to look like in 2030.”



Jacob Holbrook,
Northern
Kentucky
Market
President, First
Financial Bank

Connection with a changing demographic

Meanwhile, Kentuckians will be learning a new bank name this year: Truist. BB&T of Winston-Salem, N.C., and SunTrust of Atlanta got the green light in December to merge and create the sixth largest bank in the country, with deposits of about \$450 billion.

Truist, which has 81 offices in the state, has no plans to add branches and recently closed one inside a Northern Kentucky Walmart, according to Calvin Barker, regional president for Kentucky and Ohio. Branch numbers are about right for declining in-office transactions, he said.

“That’s what we see in the industry. For many years it had been (decreasing by) around 4%. In the last couple of years it’s accelerated to a 6% year-over-year decline,” he said.

While Truist is a major player nationally, Barker made it clear the bank believes it’s vitally important to make and maintain meaningful connections with local consumers.

“Our chairman, Kelly King, says the secret to success in this industry is the combination of trust, touch and technology,” Barker said.



Calvin Barker,
Regional
President for
Kentucky and
Ohio, Truist

While connection through technology rather than a human handshake does count as “touch,” he said, “when a client has a problem they need to resolve, even the millennials and Gen Zers want to know that they can come into their local branch and get service.”

Key, Barker and Scott Cvengros, Central Kentucky market president for Evansville, Ind.-based Old National Bank, all emphasized how changing demographics and younger consumers are impacting the industry.

“We’ll continue to see branch closings and more consolidation,” said Cvengros, whose bank entered the Lexington market with a loan office in 2015.

“I would say probably anybody under 35 never goes into a bank,” Cvengros said, “and may not even have a physical bank in their town. They’d rather go online and apply for a credit card or get a mortgage. There’s a reason why Rocket Mortgage

(part of Detroit-based Quicken Loans) is No. 1: the privacy that provides the applicant.

“They’re in their house, they apply. Let’s say they get turned down; well, no harm, no foul. There’s no face-to-face interaction. Close face-to-face relationships have been eroded,” he said.



Scott Cvengros,
Central
Kentucky
Market
President, Old
National Bank

Live video chat via ITMs

Louisville-based Republic Bank & Trust, the largest state-headquartered bank and No. 6 in overall Kentucky rankings, emphasizes that its sophisticated technology meets or exceeds what the large national banks offer.

In an email, Chairman and CEO Steve Trager touted access to live customer service bankers Republic now provides its clients through interactive teller machines (ITM).

“Our ITMs allow clients to video-chat live with our reps into the evening and on weekends to conduct many of the banking activities typically done inside our banking centers,” Trager wrote. “We have nearly 50 ITMs across our footprint in Louisville, Central and Northern Kentucky, and will be adding even more in 2020,” said Trager.

Republic has about 45 offices in Kentucky, Indiana, Ohio, Tennessee and Florida.

Tim Edwards, executive vice president of London-headquartered Cumberland Valley National Bank, is among those who foresee fewer brick-

and-mortar locations in the future.

But he sees more competition in markets where the economy is humming, including his bank’s backyard. Cumberland Valley, with a 166-year history in London, expanded into Berea, Richmond and Lexington in recent years.

And First National Bank & Trust, with four locations in London and Corbin, is being acquired by Commercial Bank of Harrogate, Tenn., which adjoins the Cumberland Gap.

“Right now there’s more economic growth in Central Kentucky,” Edwards said. “Part of it is a good diversity of risk along with new opportunities.”

A small bank that doesn’t have a diversity of risk could be crippled if a major employer were to close up shop, he said.

“If you look at where a lot of business is taking place, where these out-of-state banks are looking (for locations), it is in the more economically vibrant areas,” said Louis Prichard, president and CEO of Paris-based Kentucky Bank, which has 18 offices and ranks 12th in the state by assets. “The areas that these banks have gone into have been the better ones in terms of the economy.”



Tim Edwards,
Executive
Vice President,
Cumberland
Valley National
Bank



Steve Trager,
Chairman/
CEO,
Republic Bank



Louis Prichard,
President/CEO,
Kentucky Bank

Shrinking risk by growing

Prichard provided three “prime examples” of out-of-state banks setting up shop in Lexington, Owensboro and



Bowling Green and other cities because they see a healthy business climate and an attractive pool of potential customers.

City National Bank of West Virginia acquired Founders National in Lexington in 2015 and its three branches. WesBanco of Wheeling, W. Va., acquired 67 offices in Kentucky and Indiana through two transactions in 2016 and 2018. German-American Bank of Jasper, Ind., added 20 offices in Kentucky and Indiana by acquiring banks in Owensboro and Bowling Green in 2018 and 2019.

From no significant presence in mid-2018, German-American now has 17 full-service locations in nine Kentucky counties with just under \$1 billion in assets, including five locations in Bowling Green, two in Lexington, three in Owensboro and a Louisville loan office.

A typical entry strategy is to test the waters in a market with a loan production office before making a decision to move ahead with a full-service branch.

William Jones, U.S. Bank's Paducah-based community banking division manager for Kentucky and seven other states, explains the logic.

"Banks are chasing quality earning assets to put on their books. When you see a bank opening up a loan production office, it means that they believe that there's an opportunity for them to attract higher earning assets to put on their balance sheet," said Jones, a long-time executive with the Minneapolis-based bank that is fifth largest in the country and the fifth largest in the Kentucky market, according to FDIC data.

German American was in basic agreement here.

"For other banks, establishing a loan production office is where their entry into the market ends," according to the bank. "For German American, we view a loan production office as an entry point into serving a vibrant, growing market that, after some period of time, we expect will grow into a full-service banking office network."

Though it's a huge institution with a headquarters hundreds of miles away, U.S. Bank doesn't want customers to feel they are simply an account number.



*William Jones,
Community
Banking
Division
Manager,
U.S. Bank*

"Something like 70% of all the transactions done today are done digitally. What our bank is trying to do is leverage state-of-the-art digital access with individuals from a personal standpoint," Jones said.

In terms of bricks and mortar, U.S. Bank is the clear No. 1 in Kentucky with 123 offices in 36 counties – 35 branches more than PNC, the state's largest bank by deposits and the seventh largest in the country. Kentucky's five biggest banks by deposits, with a combined 37% market share, are headquartered out-of-state.

Kentucky Bank's Prichard wonders about potential impacts as trends play out.

"My concern from a public policy point of view is, are we going to continue on to become a 'branch state,'" he said. Could every bank in the commonwealth end up part of an out-of-state corporation?

"It probably never happens as fast as you think it will, but that is a little bit of my concern," Prichard said. "And if banks just focus on the more economically vibrant areas, what's going to happen to more rural areas in Eastern Kentucky?" ■

Greg Paeth is a correspondent for The Lane Report. He can be reached at editorial@lanereport.com.



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Wealth Managers Express Optimism for Coming Year

Expansion won't last forever, but Kentucky financial professionals expect another year of moderate progress



CONSUMER spending is continuing strongly enough to drive the U.S. economy slowly forward for another year, and the Federal Reserve is aiming to keep the ball in positive territory. Kentucky financial guidance experts are feeling a 12th year of expansion in 2020. This fall's presidential election could bring volatility. And of course the business cycle still exists, which means there should be thought of diversifying one's assets and assessment of when to shift to a safer portfolio. It all likely means improved demand for wealth management services.



Todd P. Lowe, CFA
Parthenon LLC

"We anticipate modest growth, both nationally and regionally, for the next 12 months. Amidst the nation's longest economic expansion, accompanied by one of the longest bull markets on record, many analysts anticipate a recession in the next year. While certainly possible, a recession seems unlikely unless an exogenous ("black swan") event emerges. While the national

manufacturing economy is weakening somewhat, consumer spending continues to hold up, and the Federal Reserve remains accommodative. Overall, GDP growth of 2% or slightly less seems likely."



David A. Parks
*Senior Wealth Advisor
Dean Dorton Wealth Management*

"With continued growth in the U.S. economy and the Federal Reserve holding interest rates low, we believe demand for stocks will remain strong in 2020, likely driving prices even higher. However, we also expect increased volatility as the second stage of China trade talks begins and as we approach the 2020 election. Knowing that volatility and periods of market decline will periodically occur, we believe it is important for investors to remain disciplined, well-diversified and focused on the long term. We also believe demand for wealth management services will continue to rise as younger boomers retire and as many investors continue to explore ways to minimize taxes, build additional wealth, and favorably adjust to changing economic and policy matters – like the recent passage of the SECURE Act."



Dan Cupkovic
*Director of Investments
ARGI Investment Services*

From our vantage point, the momentous winds of the market are sweeping up the

lay investor, exciting them about perpetual returns. The concept of international investing, although well documented with academic rigor, has been thrown out with an insatiable demand for U.S. Large Cap "FANG" tech stocks – Facebook, Apple, Amazon, Netflix and Google, which is now Alphabet. However, those who study market history know cycles are real. Today's darling stock is tomorrow's dweeb. 2000 to 2010 was pretty much a "dead zero" return world for the S&P 500, and now we are pretty much the exact opposite. Nobody knows when, but expect change in the proverbial investment winds ... perhaps not this year but not long after. Then look to the now unloved Small Caps, Emerging Markets and Value stocks."



Jim Allen
*Vice Chairman,
Baird*

"2019 was a year of milestones. In 2020, we expect the progress we saw to continue, possibly fueled by better earnings and economic growth. However, the future is always uncertain and this will be the case in 2020 especially, creating risk as well as opportunity for investors. In our view, what matters most is not how you react to the uncertainty, but how you plan for it. We're paying close attention to the presidential election, which is likely to cause volatility and market movements, but our focus will remain on the impact of policy changes such as the recently passed SECURE Act, which will meaningfully impact retirement saving and estate planning. Brexit and U.S./China negotiations also will have an impact on our economy in 2020 and beyond."



Keith Blakely
*Investment Advisor
Stock Yards Bank & Trust,
Wealth Management & Trust*

"We expect economic growth and inflation to remain low but positive in 2020, paving the way for the 12th consecutive year of U.S. economic expansion. Given low inflation expectations and slow economic growth, we expect the Federal Reserve to remain accommodative, which will keep interest rates anchored on both the short and long end of the yield curve. In light of the current economic environment, we are reviewing our clients' financial plans with forward-looking return assumptions in the low single digits from fixed-income markets and mid-single-digit returns from equity markets." ■



Kentucky Bankers Predict Steady Growth for 2020

Employment is keeping consumer confidence high, powering modest but ongoing growth and competition for deposits and loans

THE slow steady growth of the past decade will continue through 2020, a year that looks mostly positive for Kentucky's economy and the banks that serve its financial needs, according to the commonwealth's top bankers. The unemployment rate is staying near the lowest levels in history, and consumers thus remain confident. The state's manufacturing, construction and logistics operations are expected to do well in 2020 and Kentucky's economy is expected overall to pace the roughly 2% growth of the U.S. economy this year. The "golden triangle" of Louisville, Northern Kentucky and Lexington will outperform the rest of the state. Banks are in a very competitive environment with continued low interest rates and the Federal Reserve having squeezed loan margins by cutting its base rate three times in the second half of 2019. Despite that competition (see a report on Kentucky banking competition on Page 24 of this issue), many banks posted strong growth numbers last year and several had record profits.



Charles "Chuck" Denny
Regional President, Louisville PNC Bank

"We expect a strong and growing economy for Louisville in 2020. We're a powerful economic force in our nation's economy and the primary driver of economic growth in the commonwealth. Our strength is our diverse, robust and growing manufacturing, health care, logistics and technological base. We are one of the nation's fastest growing manufacturing regions. Logistics, a national competitive advantage, is intensified by our being the second largest airfreight hub in North America. Scientific research driven by the Carnegie R1 ranked the University of Louisville as a powerful catalyst for robust growth in our startup industry and key to job creation. Tourism has exploded here, driven in large part by the strong growth and international attraction of our bourbon industry."



Steve Trager
CEO & Chairman, Republic Bank

"I'm very optimistic about the success of Kentucky-based banks in 2020. Credit trends continue to be very favorable, especially for those with good credit histories. As we interact with our customers, it is apparent that most are doing well, especially those in building, construction and related functions. The most significant challenge businesses face in all of our markets is finding and keeping talent. We, like most, remain cautiously optimistic for continued positive business-growth trends. Instead of shying away from change as it comes our way, we will strive to be more open, transparent and socially intelligent. We will continue to embrace innovation and become even more deeply and seamlessly integrated into our clients' everyday lives. Republic Bank will continue to prioritize unique accessibility and commitment to social impact as a community bank. Successful banks will be the ones who fortify consumer trust and sacrifice short-term gains for long-term sustainability."



Jean Hale
Chairman, President/CEO, Community Trust Bank

"2020 brings concerns about the unknown impacts of coronavirus, division in Washington, foreign economic conditions and a presidential election. Most financial institutions feel net interest margin pressure after the Federal Reserve's three interest rate cuts in 2019, due to slow growth globally and low inflation. With low interest rates and margins, financial institutions will be challenged to grow earnings. Inflation remains at a manageable level. We have a highly competitive market with both strong bank and nonbank competition for loans. Economic conditions in most Kentucky regions are positive, with low unemployment and stable business and consumer activity; the eastern and northeastern regions continue to struggle with lack of job opportunities, outmigration and the highest unemployment levels. By successfully serving customers in varying economic conditions in Kentucky, West Virginia and Tennessee, Community Trust Bancorp had record earnings in 2019. The diversity of the regions we serve allows opportunity for the continued growth overall, and our financial strength allows us to seize opportunities in an improved economy."

BANKING OUTLOOK



Luther Deaton Jr.
Chairman,
President/CEO,
Central
Bancshares Inc.

"We expect Kentucky's economy to grow at about the same rate as the national economy again in 2020. However, the "golden triangle" of Northern Kentucky, Louisville and Lexington should outperform the rest of the state. I believe employment will improve, but we are not creating enough middle-income jobs to improve household income for the majority of our citizens. Consumer spending has improved some but has been inconsistent. We are seeing modest housing growth, mostly from sales of existing homes, due to a lack of available land for new construction. Apartment construction has been very strong as younger consumers are choosing that option instead. The soft economy is making our banking environment extremely competitive as community banks seek to address consumer and business opportunities."



Andrew Pyle
President/CEO,
Eclipse Bank

"We expect local conditions to remain relatively stable during 2020. The Louisville region has experienced strong growth in recent years, particularly in the areas of manufacturing, logistics and multifamily real estate. Eclipse Bank saw growth of nearly 20% last year in both loans and deposits, and our current loan pipeline reflects continued momentum. Troubled-loan ratios have continued a downward

trend. We have also benefitted from much-needed common sense regulatory relief and a repeal of the Kentucky bank franchise tax. Disciplined interest rate management will be a point of emphasis in 2020, as a persistently low rate environment and strong competition continue to pressure net interest margins."



Andy Baker
CEO,
Traditional Bank

"Traditional Bank expects to see continued growth in 2020 for the Central and Eastern Kentucky markets we serve. With economic expansion now in its 11th consecutive year, unemployment close to 3.6%, and consumer confidence and spending on solid footings, the community banking industry is poised to have another strong year. However, we are not likely to see growth at the pace we saw in the third and fourth quarter of 2019, which was spurred by the Federal Reserve's decisions to lower rates three times in the second half of the year. Business confidence is somewhat less optimistic than it was in the prior year. Current expectations are for the Fed to keep interest rates flat throughout 2020 with only a slight probability for a decrease towards the end of the year. Mortgage rates are still hovering near record lows, but the supply of homes and new housing developments continues to lag behind consumer demand in many of our markets. Technology once again plays a key role in our bank's strategic development for 2020, as we focus efforts around streamlining our services and delivery channels in ways that make our customers' lives easier."



Tucker Ballinger
President,
Forch Bank

"The overall economic conditions and indicators remain positive for 2020. The current projected growth rate is 2%, albeit not as strong as previous years but enough to maintain a healthy labor market. The low unemployment rate and rising wages have continued to drive consumer confidence. Due to uncertainty surrounding political tariffs, we have seen incremental reductions in business investments. However, the recently signed trade deal, combined with robust consumer spending, should support continued growth of the longest economic market expansion in history. Last year we had an exceptional loan-growth year fueled by our most recent acquisition in the Cincinnati market. We expect to achieve modest loan and deposit growth in 2020 based on market conditions."



Chris Caddell
Chairman/
CEO,
Heritage Bank

"Heritage Bank is optimistic about our region's economic prospects, yet pragmatic about risk. Although the general uncertainty permeating many parts of our economy merits watching, local unemployment overall remains below the national average and the Fed reports moderate wage growth. In addition, Cincinnati/Northern Kentucky is one of the nation's lowest cost-of-living metropolitan areas with a



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population of 2 million or more. The region continues to nurture entrepreneurs as well as enterprise businesses. We anticipate a strong year for commercial interests despite headwinds from recent trade disputes impacting manufacturing and agriculture. Improving consumer optimism drives home building and remodeling as well as the revenues of our retail customers.”



Michael Ash
Kentucky
President,
Fifth Third
Bank

“There is plenty to look forward to in 2020 and beyond. For 2020, we’re still seeing a year of growth – but not quite at the pace we saw in 2019. Labor markets will continue to be tight. Wage gains will continue to empower consumers. Cyclical sectors like manufacturing and housing will continue to be on the rise. And overall access to credit will still continue to be reasonable. So while growth may slow a bit, 2020 still looks to be a year of stable economic growth.”



William Craycraft
Market
President
City National
Bank

“City National Bank is optimistic about continued growth in our retail, mortgage and commercial divisions in 2020 throughout the bank’s footprint and particularly in Central Kentucky. City National expanded its presence in Central Kentucky with the acquisitions of Town Square and Farmers Deposit Bank in late 2018. These acquisitions gave city a retail presence in four additional communities and added six lenders to our commercial division. A little more than a year into this merger, City has seen growth in all lines of business while building strong relationships with our new customers outside of Lexington. City’s mortgage products continue to attract new customers in the competitive local residential market, with the no-down-payment Champion mortgage remaining an attractive option to home buyers.”



William J. “Bill” Jones
Kentucky
Market
President,
U.S. Bank

“In 2020, we anticipate steady but slow growth in our national economy. By most accounts, the majority of companies and businesses are doing well, powered by consumers who remain confident, thanks in part to low unemployment numbers. Tariffs could impact some industries,

but Kentucky generally doesn’t experience the same market highs and lows as the rest of the country. In financial services, we see a continued push for simplicity and choice. With that in mind, we continue to evolve as a bank to meet every customer need, whether in a rural or urban area, in a branch or on their phones, by developing and offering services that look to save customers’ time and providing flexibility to bank when, where and how they choose.” ■



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Employee Training Is First Line of Defense

Developing a company culture that values security can help mitigate cybercrime threats

BY LORIE HAILEY

EMPLOYEES can be one of the biggest threats to a company's cybersecurity, but with the right training, they can be armed with the tools to form a frontline defense against cybercriminals.

Internet crime is one of the fastest growing security threats in the United States. The FBI's Internet Crime Complaint Center (IC3) received more than 460,000 complaints in 2019, with a reported loss of more than \$3.5 billion. Kentucky had more than 3,000 victims of internet crime in 2019, and a loss of more than \$17 million to cybercriminals, according to the FBI's 2019 Internet Crime Report.

In 2018, more than 446 million records were exposed in 1,244 data

breaches. The number of breaches worldwide has steadily climbed over the past eight years as cybercriminals have grown more savvy and the threats have become more sophisticated.

Businesses put themselves at risk by not performing adequate cybersecurity risk assessments and taking action to mitigate them, and by failing to regularly train their employees to recognize threats.

"The greatest cybersecurity risk to businesses is their own untrained, unprepared staff. Over 90% of all breaches go back to a bad email

attachment, malicious link or other employee mistakes," said Tracy Hardin, president and founder of Next Century Technologies, an IT consultant and managed services firm in Lexington.

Untrained employees are a "huge risk," agreed Craig Willard, chief operating officer of SimplifIT, a Frankfort-based managed services and cybersecurity firm. When it comes to cybersecurity, "ignorance is not bliss," he said.

Employees make their companies vulnerable to a cyberattack in several ways: using their work computers for personal email or web surfing; placing too much information about their employers on social media; and not taking personal responsibility to educate themselves about cyberthreats personally and professionally, said Joe Danaher, chief information security officer for The AME Group, formerly Integrity IT.

But the real responsibility lies with company owners and executives. Company leaders must set the tone for the entire company by offering frequent cybersecurity training sessions to employees and practicing good



*Craig Willard,
Chief
Operating
Officer,
SimplifIT*



*Joe Danaher,
Chief
Information
Security
Officer, The
AME Group*



*Tracy Hardin,
President/
Founder,
Next Century
Technologies*

cybersecurity hygiene themselves, Willard said.

A company's management team must "show employees that cybersecurity is important ... by creating a culture of cybersecurity," Danaher agreed.

Threats are more sophisticated, more difficult to spot

"There are a hundred different ways hackers can get into your system," said Jim Kramer, IT consulting team leader at MCM CPAs and Advisors, which has offices in Lexington, Louisville, Jeffersonville, Cincinnati and Indianapolis. From posing as the IRS during tax season and sending emails about lost packages at Christmastime, to impersonating executives asking an employee for immediate action, hackers are working constantly to fool employees, get access to their networks and wreak havoc, he said.

Years ago, hackers sent thousands of generic and crudely written phishing emails and hoped a small percentage would fall for them. Scam emails from Nigerian princes wishing to share their wealth and long-lost relatives with inheritances to bestow are a thing of the past. Today's cybercriminals study their targets – using information readily available online – and tailor their scams to specific companies and individuals.

"Phishing is becoming more sophisticated," Danaher said. "Compromised (Microsoft) Office 365 accounts from people you know are sending malware in attachments. Secure attachments are being used to trick users into downloading malware and giving up their passwords to sites like Office 365, Amazon and Google."

A busy employee who receives an email that appears to have come from the CEO, asking them to quickly pay an invoice or purchase items for clients, may not take the time to question the authenticity of the email.



*Jim Kramer,
IT Consulting
Team Leader,
MCM CPAs
and Advisors*

"A poorly trained employee or one who is easily distracted, tired or overwhelmed with work is more likely to open a bad attachment, wire money to a criminal or give out their email address and password to any popup that looks somewhat legit," said Hardin of New Century Technologies.

While the technique has become more sophisticated, the Nigerian prince scams of the past and the spoofing methods used now have at least one thing in common: the cybercriminals who send them rely on exploiting the basic human traits of being helpful and curious, Danaher said.

In 2019, the most prevalent cybercrime types reported to IC3 were phishing (or vishing/smishing/pharming), nonpayment/nondelivery, extortion, and personal data breach. (Phishing/vishing/smishing/pharming refers to unsolicited email, text messages and telephone calls purportedly from a legitimate company requesting personal, financial, and/or login credentials.)

"The email account is not the only threat," Hardin said. "More and more cybercriminals are utilizing phone calls to trick staff into thinking the police, IRS, Microsoft or FBI needs to remotely access their system. Such a simple mistake will allow the bad actor on their computer, able to upload ransomware or malware to steal credentials. Texting of malicious leaks is on the increase as well."

The IC3 received 23,775 business email compromise (BEC) or email account compromise (EAC) complaints last year with adjusted losses of more than \$1.7 billion. BEC/EAC is a sophisticated scam targeting both businesses and individuals performing a transfer of funds. The scam is frequently carried out when a subject compromises legitimate business email accounts to conduct unauthorized transfers of funds, according to the FBI report.

Scott County Schools in Georgetown fell victim last year to a \$3.7 million BEC scam, but luckily was able to recover its funds.

Superintendent Kevin Hub said the scam was discovered when a vendor notified the district that it had not received payment for a recent invoice. That's when officials learned that a fraudulent email from a hacker disguised as the vendor had led to the creation of an automated payment account. The email apparently had the school system's electronic transfer paperwork filled out and attached, asking for the invoice to be paid.

There was no compromise to either the financial data system or student data management system, and that the scam was limited to a specific vendor payment process, Hub told media agencies at the time of the incident.

Kentucky State Police and the FBI investigated the case, and with the help of the two banks involved, the funds were recovered.

"Our internal investigation found no wrongdoing by any of our staff members, but yet we were a victim of this wire fraud," Hub said.

A lot of companies fall for these kinds of scams, said Gui Cozzi, cybersecurity practice leader at Kentucky-based Dean Dorton, a CPA accounting firm with an IT security/tech consulting division that has locations in Raleigh, N.C., Lexington and Louisville.



*Gui Cozzi,
Cybersecurity
Practice
Leader,
Dean Dorton*

The use of cloud computing and remote data access has created new challenges to security. As technology progresses to make things easier and cheaper for businesses, hackers continue to up their game.

Ransomware also remains a big threat to businesses, and the techniques used continue to evolve. Every 14 seconds, a business will fall to a ransomware attack, according to Willard of SimplifIT.

Most commonly, ransomware is downloaded onto a computer by someone who opens an attachment in a phishing spam. Once the malware is



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THE increasing need to secure data and protect companies from cybercriminals in an ever-evolving technological landscape has led Kentucky universities to develop degree and certificate programs to train the next generation of cybersecurity specialists.

Last year, Northern Kentucky University renewed its designation as a National Center of Academic Excellence in Cyber Defense Education (CAE-CDE) for its Bachelor of Science in Computer Information Technology – Cybersecurity Track. The joint designation from the National Security Agency and the Department of Homeland Security recognizes NKU as having one of the top-tier cybersecurity programs in the nation.

NKU became the first institution in Kentucky and the Greater Cincinnati region to receive the designation in 2015. With the reaccreditation, NKU continues to hold the title through 2024.

The cybersecurity track is the highest enrolled track within the university's computer information technology majors, according to Atley Smedley, NKU public relations specialist. Enrollment has grown 225 percent in the two years since the track first became available. NKU plans to begin offering a bachelor's degree in cybersecurity this fall.

Bluegrass Community and Technical College, Owensboro Community and Technical College, the University of Louisville and Murray State University also have been designated a CAE-CDE through the year 2024. University of the Cumberlands has received the designation through 2022.

An online graduate cybersecurity certificate program is offered at UofL's Speed School of Engineering. It prepares students to monitor and identify instances of cybercrime and respond to increasingly more sophisticated attacks against the nation's information infrastructure. The 12 credit hour program was developed as part of UofL's Cyber Security Initiative, which aims to deliver more educated and more informed computer science and engineering professionals to the industry.

The certificate credits can be rolled into UofL's online Master of Science in Computer Science program.

"... in a world continuously plagued by threats to our expanding databases, cybersecurity professionals are more essential to keeping our information secure than ever before – with jobs expected to grow 28% over the next decade," UofL says on its cybersecurity program website. "Graduates of this program can apply their knowledge to various careers in areas like network security, risk auditing or management, software security engineering, penetration testing, information security analysis, information forensics, cyberthreat intelligence and more."

UofL partnered last year with IBM to open the IBM Skills Academy at the university's Center for Digital Transformation. The academy's curriculum concentrates on fast-growing technology areas like artificial intelligence, blockchain technology, cloud computing, cybersecurity, data science, quantum computing and more. The partnerships give students and faculty access to leading curriculum, software, industry experts and other educational materials.

The skills academy is the first of its kind that IBM has developed with a higher education institute.

Eastern Kentucky University's digital forensics and cybersecurity bachelor's degree program has been recognized as one of the best programs in the nation by Bachelors Degree Center. It is one of the first two programs accredited by the Forensic Science Education Programs Accreditation Commission. Students in the program learn to defend cyber networks, quickly respond to cybersecurity incidents, and examine electronic devices and networks to collect digital evidence that can be used in a court trial.

The University of Kentucky College of Engineering also offers a cybersecurity certificate program to degree-seeking undergraduate students in the College of Engineering. The program, which began in the fall of 2019 and has 14 students, prepares students to understand the challenges of cybersecurity, identify potential threats and design effective countermeasures.

downloaded and opened, it takes over the victim's computer and can encrypt files on the entire network. The files essentially remain locked down until a ransom is paid. Companies with adequate backup systems could get away with not paying the ransom.

But hackers have recently taken ransomware a bit further, not only encrypting the files but also stealing them and threatening to expose the company's data if the ransom is not paid, Willard explained.

"If you focus your strategy on having a good backup, that's not enough now," Cozzi said. "Because if your information is compromised, then it could leak. So you need to think through that and build a program around preventing that from happening."

Once a hacker has your data,

whether you pay the ransom or not, there's no guarantee that the data won't be sold to other cybercriminals.

"Once they've got your data, they own the data," said MCM's Kramer.

'An ounce of prevention is worth a pound of cure'

To combat cybersecurity risks, businesses should have solid layers of security for protecting the IT infrastructure, Hardin said.

"Best practices dictate using business-class next-gen firewalls and advanced endpoint security products (antivirus) that utilize artificial intelligence to look for suspicious behaviors," she said.

Unfortunately, many businesses – especially smaller ones with fewer employees and limited budgets – do not feel motivated to invest in

cybersecurity protection until a threat has already been made. And by then, it is usually too late. Cleaning up the mess is very costly.

"For small businesses, it is a bit of an investment," said Danaher of The Ame Group. "The cost of breaches keeps rising. However, many business leaders don't believe they are at risk so their investment in cybersecurity controls does not reflect their actual risk."

Many companies think they don't have data that could be stolen, or think their data is not valuable, Kramer said. The truth is: If you have a business, you have data that could be stolen and sold to cybercriminals on the dark web.

"Businesses will say, 'Who wants my data?' But I like to flip the question around and say, 'Who wants your data? You do, so protect it,'" Kramer said.

Small and large companies should have a cybersecurity risk assessment performed by a reputable IT managed service provider to protect their data, which may include their clients' information, the company's intellectual property and employees' personal information. The assessment will highlight where a business is vulnerable and outline a plan to shore up their defenses.

Alex Tietz, IT manager at Denham Blythe, a design/build firm based in Lexington, said risk assessments are imperative because they can offer insights into best practices that are not always available to small IT departments. It is a good way to close loopholes in security practices, he said.

"You want to get an assessment done from a company that specializes in security as well as a company that did not design your company's infrastructure," Tietz said. "An assessment is a good way to provide some checks and balances by having your security work checked. It can also help validate the expenses needed by IT to cycle out legacy equipment or integrate new software."

"The security assessment has become a necessary tool when anyone wants to do business through the internet," he added.

Next, employees should receive ongoing awareness training. Think 15 minutes a month instead of once a year for three hours. And they should be tested on what they've learned.

Phish testing is a good way to find out which employees are paying attention to the training and which ones need additional help. A



Alex Tietz, IT Manager, Denham Blythe

company's managed services provider can send phishing test emails to employees to see how many are utilizing the training.

Training should be engaging and consistent, Cozzi said. Many IT service providers offer online, video-based training programs that help keep best cybersecurity practices top of mind. Several Kentucky firms offer free programs to the community and nonprofit agencies.

Tips to mitigate cybersecurity risks

- Limit access to networks. Not all employees need administrator access, for example.
- Keep operating systems and software updated. ("Say bye to Windows 7," Hardin said.)
- Invest in quality antivirus software.
- Get as many layers of protection as possible. Use multifactor authentication, spam filters and firewalls.
- Password managers can help employees create and maintain secure passwords that are unique for each account. Passwords are gateways. They shouldn't be the same for every account, and employees shouldn't have them taped to their monitors.



- Have a written disaster recovery procedure in place and review it every year, Tietz recommended. "Have a solid business continuity plan that includes a backup of critical data off-site, and test the plan. Don't just assume it works

because a backup report says it was successful," he added. ■

Lorie Hailey is special publications editor of The Lane Report. She can be reached at lorie@lanereport.com.



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EMERGING LANE

Kentucky's young professionals and creatives



New Frontier Outfitters owners Jared (left) and Josh Ravenscraft began the company in 2016 to give Appalachia a voice in the clothing industry.

Brothers Build a New Frontier

Appalachian-branded clothing line getting noticed – and bought

TWO brothers in Morehead have turned a clothing business started out of their garage into a brand with international allure, all in barely over two years.

Brothers Jared, 27, and Josh Ravenscraft, 23, launched New Frontier Outfitters in late 2016 as a response to feeling jilted by national clothing brands like North Face and Patagonia, which seemed to focus most of their products and marketing efforts toward the American West.

The foundation for the Appalachian-branded company started being laid in the summer of 2016, shortly after Jared completed his strategic communications degree at Morehead State University and Josh finished high school. The two were briefly working as janitors at their alma mater Rowan County High School before launching a website from their parents' kitchen.

After getting inspiration for New Frontier's first apparel from a collection of retro ski badges and their dad's old '70s and '80s-era trucker hats stowed in the back of a closet, the brothers soon began completing online orders. They would jump into Jared's Jeep to personally deliver orders. Soon the Ravenscrafts headed back to campus to pitch their product to students and others in Morehead, which quickly paid dividends.

"We've noticed much more success from word-of-mouth marketing than

what we've done with social media," said Jared. "It's far more effective to talk to 100 people face to face."

Bolstering the Ravenscrafts' efforts, several celebrity brand ambassadors have been spotted wearing New Frontier gear. "21 Jump Street" actor Channing Tatum began wearing the swag after the brothers caught wind of him passing through Morehead in 2017 and delivered a basket of company apparel to him.

The brand's success has also risen alongside various musicians, including national touring country act Tyler Booth, a Kentucky native who recently signed with Song Music Nashville and Villa 40. The Ravenscrafts recall Booth shopping in their garage during New Frontier's infancy along with several members of The Food Stamps, the backing band for Tyler Childers of Lawrence County.

New Frontier's strong ties to the music community led the company to sponsor and work with several music festivals, including Kentucky's oldest event – Mount Sterling's Court Days – as well as the Main Street Festival in Franklin, Tennessee, and Live at the Garden in Memphis.

Jared said New Frontier had to branch outside of Kentucky for most of its festival engagements due to most established events in the state having already partnered with other clothing brands. Initially a disappointment, that conundrum became a blessing in

disguise for New Frontier by making the brothers commit to their convictions about their brand and better tune a workmanlike sales pitch.

"Be 100% invested in what you're doing, because if you aren't all in, it's easier to give up or to make excuses to not keep pushing on during the tough times, because they will come," said Jared.

The future looks bright for New Frontier, which has over 23 wholesale locations across Kentucky, Colorado and North Carolina selling its gear in addition to a brick-and-mortar outpost opened in Morehead in 2017 that employs a staff of four, not including the brothers. According to Josh, the company hopes to also add two or three more brick-and-mortar outposts in the next five years to go with its wholesale partners. They are targeting a location in Asheville, North Carolina, which the brothers refer to as the "hub of Appalachia," to further establish the company as Appalachia's clothing brand.

Another goal is to continue expanding the company's online presence and international sales, which accounted for 8% of New Frontier's total sales in 2018, most going to U.S. troops stationed overseas along with Canada and The Netherlands.

"We're making something out of nothing, which can be a daunting task at times," said Jared. "It's a new frontier for us. We're excited to see where the journey leads."

New Frontier is currently designing its upcoming winter 2020-21 clothing line along with new sustainable products. Its website is MadeForTheJourney.com. —Matt Wickstrom



Jesse Wells, of Tyler Childers' touring band The Food Stamps, performs at the Ryman Auditorium in Nashville wearing gear from New Frontier.

Kismet Meets Hard Work

Owning a horse business in Kentucky completes 'the dream'

RUNNING a horse farm is not for the faint of heart. The hours are grueling, weather can't be controlled, and the "product" weighs 1,200 pounds and has its own personality and temperament. But when horses are in your blood, being a business owner in the horse industry is as good as it gets.

Alex Gravett is the owner of Kismet Farm in Simpsonville, where she trains Saddlebred and Morgan show horses.



Alex Gravett

"I have a very vivid memory of being about 5 or so years old, the day I wanted to be a horse trainer," she said. "I spent my whole life chasing that dream."

As a trainer, she is responsible for working show horses and training them on a daily basis. Gravett and two other instructors also teach riding lessons at Kismet Farm to kids as young as 5, teens and adults.

There are close to 30 horses on the property, many privately owned by Kismet students or by owners who live elsewhere. Gravett trains 15 of the horses; the others are retired show horses for the lesson program. She keeps a couple of sale horses at the farm at any given time, and she owns a yearling Morgan with her mother as an investment horse.

"Kentucky is a unique place because people will send horses to Kentucky to be sold," Gravett said. "There are so

many Saddlebred barns here. People can come here to shop when they are looking for a horse to buy, travel less than 100 miles and see 50 barns in a weekend if they want."

The Kentucky legislature proclaimed Shelby County the American Saddlebred Capital of the World in 2005. Similar to the Triple Crown of Thoroughbred racing, the American Saddlebred has three major events each year: the Junior League Horse Show in Lexington, the Kentucky State Fair in Louisville and the American Royal in Kansas City.

Gravett grew up showing Morgan horses in her native Minnesota. She earned a degree in equestrian studies with a concentration in the saddle seat discipline at William Woods University in Fulton, Missouri, and minored in business. During college, she interned one summer in Nicholasville with noted Saddlebred trainer Nelson Green.

After graduation, she moved to Versailles and commuted to Nicholasville. Then in 2009 she became an assistant trainer with Bill and Kris Knight at their Pleasantview Farm in Simpsonville. They encouraged Gravett to start a riding lesson program as her own business.

"It allowed me to establish my own client base with their facilities and horses," she said.

As the Knights moved toward retirement, Gravett transitioned into learning about the business side of a horse farm and taking over operations



Alex Gravett and Zendaya, a 2-year-old Saddlebred filly, at the 2019 Kentucky State Fair World's Championship Horse Show.

from her mentors. She started accepting horses for training and continued teaching riding lessons. As a full-fledged business, Kismet became a reality in 2014. Gravett leases the 14-acre property from the Knights.

No matter how busy she is with the horses, Gravett finds it important to be involved with the local community and equine industry organizations. She has served on the board of directors for Leadership Shelby and has been the national co-chair of the young professionals committee for the United Professional Horsemen's Association (UPHA). In January, Gravett was awarded the Tony C. Ray Young Professional of the Year award at UPHA's national conference.

"There couldn't be a better place to do it than Kentucky," she said of being a business owner in the horse industry. "There are so many resources at our fingertips. We have access to the absolute best team of blacksmiths and veterinarians, and anything horse-related right here. I can't imagine doing business anywhere else."—Kathie Stamps



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THE KEYS TO HEALTHY MARKETING

Balanced diet across trusted platforms creates growth, brand strength

BY GATHAN BORDEN

“P RINT is dead.”
“We need to go 100% digital.”

“Social media is a waste of time.”

How many of you have been on the receiving end of those conversations? The fact of the matter is, all forms of marketing work, but because the marketing landscape is saturated, you’ve been told that only certain forms of marketing work. The real truth is, it still takes the right mix of media to reach the right consumer.

Often, you hear marketing experts speak in generalities and tell you where you need to spend your money and which media platforms deserve your attention. This often leads to spending a disproportionate amount of marketing dollars with one form of media as opposed to staying balanced across multiple forms of media.

It’s the exact same science behind our bodies and diets. There is no one diet that fits all. Most nutritionists will tell you that most diets are not sustainable for long-term health, as too much of any one thing is bad. And just like with our daily food habits, spending too much of your marketing dollars with one form of media is a bad thing – you need balance.

Let’s take a step back

Before you can determine what your marketing diet is, you really need to take a step back to analyze your consumer’s path to purchase. As with most products today, the path to

purchase is no longer linear. The series of channels a consumer is exposed to before they purchase a product includes everything from emails, apps, search engines, general and specialty news sources, brand websites and loyalty programs to online review channels and social networks. In understanding your consumer’s path to purchase, you need to identify what influences their shopping behavior, because if you don’t figure that out then you end up with the “pray and spray” approach, where your marketing dollars are scattered out across any and every possible outlet, and you’re left praying that it works.

Figure out what works

Once you have an understanding of your consumer’s path to purchase, you can begin to evaluate what forms of media will lead to conversions. Print, radio, TV, digital, social and direct mail are just some of the ideas you should be exploring. Each of these forms of media play a significant role in your consumer’s path to purchase, some more than others – but they ALL play a role.

Word-of-mouth marketing has long been a trusted source for consumers, and with the rise of social media and online review sites, word-of-mouth marketing is easier to amplify. However, recent research shows us that consumers still trust more traditional forms of marketing like print ads, TV ads and billboards. According to a study by MarketingSherpa, when asked which advertising channels they trust most

when making a purchasing decision, 82% of respondents said they trust print ads in newspapers and magazines.

You need to decide what forms of media will work best for you, and then allocate your budget accordingly. Start with an equal distribution of media dollars across each of the platforms you are choosing and then adjust your spending levels based on your strategy.

Learn the science

If you’ve gotten to the point where you understand the consumer’s path to purchase and to which forms of media you will allocate your marketing dollars, then your next step is to become a marketing scientist. I once heard someone say that marketing without data is like driving with your eyes closed. Understanding the data and painting a clear picture of your marketing efforts is what separates the good marketers from the great marketers.

Investing in marketing attribution software can help you figure out how well your media dollars are performing; however, if you don’t have the budget to invest in software, you still need to spend time analyzing your media performance across multiple platforms, so that you allow the data to make your marketing decisions more transparent. When measuring your traditional ads like print, TV and radio, be sure to utilize vanity URLs, coupon codes, promo numbers or even bridge it with your social media efforts and incorporate hashtags. Bringing together your offline and online marketing efforts to maximize your budgets is crucial to any type of marketing success.

Marketing is not a one-time fix but an ongoing strategy to help your business grow. No product alone can sell itself. By investing in the right marketing channels, your business cannot only generate leads and conversions, you can also build your reputation with your consumers and within your respective industries. It takes consistent marketing efforts across a balanced media mix to reach the right people, at the right time, in the right place. ■

Sources: “Print ads in newspapers and magazines are the most trusted advertising channel when consumers are making a purchase decision”; <https://www.prnewswire.com/news-releases/print-ads-in-newspapers-and-magazines-are-the-most-trusted-advertising-channel-when-consumers-are-making-a-purchase-decision-300424912.html>



Gathan Borden is vice president of marketing for VisiILEX.

SPOTLIGHT ON THE ARTS



Left: Lexington basket maker Elizabeth Worley demonstrates her craft while exhibiting at The Kentucky Crafted Market.

Below: The singing and songwriting duo JOANNA-JAMES entertains visitors at the 2019 edition of The Kentucky Crafted Market. The pair will return for another performance on the Kentucky Stage at the 2020 event.



It's Time to Go to the Market

New arts council exhibit making debut at Kentucky Crafted Market

BY CHRIS CATHERS

LAST month in this space, we invited you to The Kentucky Crafted Market, the annual showcase of the best of Kentucky-made art and craft. The Market is open to the public March 14-15 at the Kentucky Horse Park's Alltech Arena, or if you register as a buyer, you can attend Market on the trade-only day, March 13. This is a day set aside for retail

buyers, corporate gift buyers, architects, interior designers and others who are involved in purchasing art for commercial use.

You can learn more about The Market, including how to register as a buyer and purchase tickets for the public days, at the artsCouncil.ky.gov website.

This year's event features the debut of an important traveling exhibit titled *Native Reflections: Visual Art by American Indians of Kentucky*. This exhibit is the result of a collaboration between the Kentucky Arts Council, the Kentucky Heritage Council and the Kentucky Native American Heritage

Commission. Artwork featured in the exhibit will be by artists who are from federal or state recognized tribes, or who have an unrecognized tribal affiliation.

In addition to the art exhibit and the many vendors, guests can enjoy the sounds of live music from the Kentucky Stage as well as flavors from selected Kentucky Proud food vendors and the always enjoyable hands-on activities area with fun for kids of all ages.

Whether you join us on trade-only day to purchase amazing Kentucky-made art for your retail business, or whether you choose to come on one of the public days, we know The Kentucky Crafted Market is an event you won't want to miss. ■



Chris Catthers is executive director of the Kentucky Arts Council.



Above: The Kentucky Crafted Market's hands-on activities area is guaranteed to appeal to kids of all ages. This year's hands-on activities will include story time with Kentucky children's book authors, presented by Kentucky Humanities.

Right: Market visitors come from all around Kentucky to see their favorite artists and discover the work of new artists.





Left: The Fresh Food Adventure Series at Shaker Village features special menus served at locations throughout the village.

Below: The Shaker Village Seafood Festival is scheduled for March 21.



Shaker Village-by-the-Sea!

A seafood festival is part of the upcoming Fresh Food Adventure series

BY KATHERINE TANDY BROWN

NAMED a top hidden travel destination by BBC News and awarded TripAdvisor's Certificate of Excellence, 3,000-acre Shaker Village of Pleasant Hill is not only Kentucky's largest National Historic Landmark, but also boasts the country's largest collection of 19th-century buildings. The Shakers themselves were that era's largest and best-known American communal society and were recognized for their strong work ethic, creativity and ingenuity; a desire for simplicity and perfection; belief in community and in equality of

race and the sexes; impressive architecture and furniture-making; and kinship with the land and with each other, i.e. living in harmony.

To celebrate the continuity of the concept of sustainability, the attraction's popular Fresh Food Adventure (FFA) series is back again, with celebrated guest chefs, talented mixologists and area musicians. Each event throughout 2020 has an all-inclusive fixed-dinner and spirits menu served at communal tables, not in the property's restaurant, but at locations throughout the village.

"It's a little more fun for the guests to take a look at our historic buildings," says Shelby Jones, director of communications. "We hold a lot of these dinners outside when the weather is nice. It's lovely in the garden."

The two-acre Shaker Village garden is certified organic and is located steps from the Trustees' Table restaurant, known for its splendid food, including Shaker lemon pie. (As an aside, it turns out that divine dessert is the only original Shaker recipe the restaurant serves, despite popular thought to the contrary.)

"Shaker food is quite bland," Jones chuckles. Except for that luscious pie.

Restaurant diners can actually see the garden while seated. More than 73 varieties of veggies will pop up this year. Crops making their debut include culinary mushrooms, salsify, potatoes, rhubarb, artichokes, peanuts and new varieties of tomatoes, squash and Asian greens. The eatery also taps its orchard, apiary and herb garden for produce, honey and seasonings.

"I get inspired by all of the wonderful ingredients I have right outside my kitchen door," says Shaker Village Chef Amber Hokams, a graduate of Le Cordon Bleu in Austin, Texas. "When I create a menu, I always think locally first: What do we have from the Shaker Village garden that I can utilize? What can I source from local meat and producers?"

One of this year's FFA offerings features a culinary delight foreign to the village's original inhabitants: seafood. The next event, on Saturday, March 21st, will be a seafood feast in the West



Right: An aerial view of Shaker Village, Kentucky's largest National Historic Landmark. The village has the nation's largest collection of 19th-century buildings.

Below: Shaker Village chef Amber Hokams.



Family Dwelling. Take a whiff of the marvelous aromas in the air upon your arrival and you'll swear you must be near the ocean. The dinner will feature a number of courses, including snow crab salad, bay scallop crudo, San Francisco cioppino, Lobster Newburg, and white chocolate Key lime mousse.

You can peruse the entire menu online and if you're a fan of fruits de la mer, you'll definitely be salivating.

"Even for events like our seafood feast, we obviously have to bring in fresh ocean fish, and I'm sourcing that from top providers," Hokams says. "But we're using local ingredients to elevate the dish, like bourbon, micro greens and fire-roasted peppers that we've preserved ourselves. Our in-house bakery is making things like brioche and baguettes."

Three more FFA events will follow. July 18 brings a local farm fest in the garden, where guests will be surrounded by ripening tomatoes, colorful zinnias and butterflies. Revel in the summer harvest as well as the bounty from other local farmers, cheesemakers, meat producers, winemakers and distillers.

On Sept. 12 a Hard Cider Bash will fill the Meadowview Barn. Enjoy the tastes of fall, especially hard cider fresh from the orchard, to keep you warm on the inside when it's chilly outside. Diners can serve themselves from stations of appetizers, salads, main courses, side dishes, mixed drinks and desserts while tappin' their toes to live music.

And on Nov. 7, prep your tummy for the holidays at a quail dinner. Chow down on Kentucky quail and the delicious fall garden harvest while learning how Shaker Village manages its Northern Bobwhite Quail Preserve.



"These special food-focused events allow my team and (me) to stretch our culinary muscles," Hokams explains. "We get to explore different cultural cuisines and utilize cooking techniques that we aren't implementing on a daily basis in the restaurant. It's not only enjoyable for us, but it allows our guests to try new things and have a fun night out."

If you've ever wondered what makes the food at the Trustees' Table so yummy, a lot has to do with the fact that Shaker Village Farm Manager Michael Moore works closely with Chef Hokams to create the seed-to-table experience. That partnership seems to work darn well!

"Mike has really upped our game with the garden," says Jones. "He's constantly adding new crops. We source as much of that as possible for our dining room. Anything we can't get on-site, we resource locally. So we're Kentucky Proud."

Attend an FFA dinner and you can score an overnight discount at one of the village's comfy, historic rooms.

Just a couple of caveats: Parties wishing to sit together at an FFA dinner



Shaker Village Farm Manager Michael Moore.

or anyone with dietary restrictions should email info@shakervillageky.org at least a week prior to the event in order to be accommodated.

Find more info and make reservations early at shakervillageky.org or at (859) 734-5411. ■

Katherine Tandy Brown is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

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Guard Your Money: Top Financial Scams to be Aware of – And Avoid

THE Kentucky Department of Financial Institutions (DFI) and the North American Securities Administrators Association are warning consumers of the top financial scams that are currently on the scene and offering advice on what you can do to avoid them.

Promissory Note Scams: A company or person who publicly markets promissory notes with false promises of high rates of return.

Tip: Know that legitimate promissory notes are not usually sold to the general public. Always research independently and verify the company before making any purchase and know that if someone calls trying to sell you a promissory note, it is likely a scam. In 2019, DFI's Securities Division received 42 complaints; nearly 20% of those involved promissory notes in some capacity. In total, 30 actions were taken by DFI, including agreed orders and reached settlements that were the result of administrative complaints or investigations, while some cases are still ongoing.

Real Estate Investment Scams: Investment pitches involving property flipping and investments financed through means other than traditional bank borrowing.

Tip: Property flipping financed many ways can be done lawfully, but it can also be a source for fraud. Avoid dealers that urge you to move too fast and take extra steps to make sure your investment is secure and that the broker is properly licensed.



Social Media/Internet-Based Investment Scams: Social media-related investments and solicitations are a growing source of concern for DFI. For example, DFI recently entered an emergency cease and desist order against Metals.com to discontinue acting as an unregistered broker-dealer and investment advisor immediately. Kentucky residents invested at least \$1.5 million and many of the solicitations were connected to social media platforms.

Tip: Be wary of unsolicited social media offers or sales pitches as they may likely be part of a fraudulent investment scam. Remember that if it sounds too good to be true, it probably is.

Cryptocurrency-Related Investment Scams: Before you jump into the crypto market, know that the financial products are extremely risky and may be nothing more than a scam. The market does not fit exactly into existing regulatory frameworks, making it easier for scammers to steal.

Tip: There are numerous cryptocurrency schemes and it is difficult to stay ahead of all the ways scammers can use the products to scam. Before investing in the market, research online ways to avoid fake markets, phishing websites, scam coins and in-person transfer scams.

Ponzi Schemes: Similar to pyramid schemes, this scam promises high rates of return with little risk to investors. Con artists claim they can generate returns for early investors by acquiring new investors.

Tip: Avoid any investment where someone offers you a guaranteed return in exchange for an upfront deposit. It is likely a scam. Always ask if the salesperson and the investment itself are properly licensed or registered; this information can be confirmed by the DFI. Working with a properly licensed investment professional affords investors certain legal protections.

DFI Deputy Commissioner and Securities Administrator Marni R. Gibson said, "Many of the threats facing investors involve private offerings, which are exempt from federal securities registration requirements and are not sold through public stock exchanges. Unregistered private offerings generally are high-risk investments and don't have the same investor protection requirements as investments sold through public markets. For the same reasons you wouldn't go to an unlicensed doctor or dentist, you should avoid unregistered investment salespeople and their products."

Information about each of the 2020 investor threats and contact information for all state and provincial securities regulators is available on NASAA's website at <https://www.nasaa.org/>.

The DFI also offers a wide range of free investor education materials and can help investors research the background of those selling an investment or providing advice regarding its purchase. Call DFI toll-free at (800) 223-2579 or visit the website at <http://kfi.ky.gov/Pages/default.aspx> for more information.

To file a consumer complaint or report a scam, contact the Kentucky Office of the Attorney General.

'Tiny Home' Community Being Built for Homeless Veterans

THE Veteran's Club in Louisville has enlisted the Louisville-based architectural/engineering firm of Luckett & Farley to design a "tiny home" community in Louisville to house homeless veterans.

Camp Restoration will provide transitional housing for homeless veterans and their families to help them get back on their feet. According to figures from the Coalition for the Homeless, some 25 veterans become homeless every month in Louisville alone.



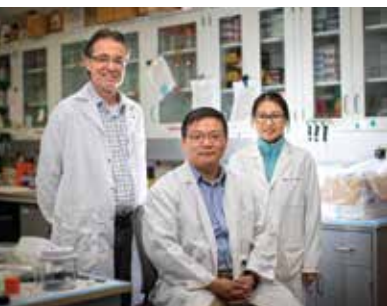
The project, located on five empty acres off Dixie Highway, will include 25 tiny homes, a community center, offices, and a spiritual wellness center.



Camp Restoration will also offer on-site programming to address mental, physical and financial health to help vets build a more secure future for themselves.

Luckett & Farley is doing the Camp Restoration site design pro bono but donations are still needed to help fund the \$3.5 million project. For more information or to contribute to the project, visit veteransclubky.com.

UK Researchers: Antibiotic a Promising Dementia Treatment?



Mark Cornelison, UK photo

UK researchers (from left) Matthew Gentry, Haining Zhu and Lisha Kuang have co-authored a study that shows a class of antibiotics could be a promising therapy for frontotemporal dementia.

RESearchers at the University of Kentucky's College of Medicine have found that a class of antibiotics called aminoglycosides could be a promising treatment for frontotemporal dementia.

Results of their proof of concept study, which was a collaborative effort between UK's Department of Molecular and Cellular Biochemistry and the University of California San Francisco's Department of Pathology, were recently published in the journal, *Human Molecular Genetics*.

Frontotemporal dementia is the most common type of early onset dementia. It typically begins between ages 40 and 65 and affects the frontal and temporal lobes of the brain, which leads to behavior changes, difficulty speaking and writing, and memory deterioration.

A subgroup of patients with frontotemporal dementia have a specific genetic mutation that prevents brain cells from making a protein called progranulin. Although progranulin is not widely understood, its absence is linked to the disease.

A group led by Haining Zhu, a professor in UK's Department of Molecular and Cellular Biochemistry, discovered that after aminoglycoside antibiotics were added to neuronal cells with this mutation, the cells started making the full-length progranulin protein by skipping the mutation.

"These patients' brain cells have a mutation that prevents progranulin from being made. The team found that by adding a small antibiotic molecule to the cells, they could 'trick' the cellular machinery into making it," said Matthew Gentry, a co-author of the study and the Antonio S. Turco Endowed Professor in the Department of Molecular and Cellular Biochemistry.

The researchers found two specific aminoglycoside antibiotics – gentamicin and G418 – were both effective in fixing the mutation and making the functional progranulin protein. After adding Gentamicin or G418 molecules to the affected cells, the progranulin protein level was recovered up to about 50 to 60%.

These results could be promising to drug development. Currently, there are no effective therapies for any type of dementia.

After this preclinical proof of concept study, the next step is to study the antibiotics' effects on mice with the mutation that causes frontotemporal dementia, Zhu says. Another focus is to possibly develop new compounds from Gentamicin and G418 that could be safer and more effective. Although Gentamicin is an FDA-approved medication, its clinical usage is limited as it is associated with a number of adverse side effects.

"If we can get the right resources and physician to work with, we could potentially repurpose this drug. This is an early stage of the study, but it provides an important proof of concept that these aminoglycoside antibiotics or their derivatives can be a therapeutic avenue for frontotemporal dementia," said Zhu. —Elizabeth Chapin/University of Kentucky

Apply Now for Venture Sharks 2020 Business Pitch Competition

VENTURE Connectors has announced that applications for its 11th annual Venture Sharks business pitch competition are now open.

Early-stage companies and entrepreneurs are invited to compete for a \$5,000 cash prize and thousands of dollars of in-kind services.

The competition is open to businesses or entrepreneurs from any industry in Kentucky, Indiana, Ohio and Tennessee, but presentations for the preliminary and final rounds of competition must be made in person in Louisville.

In both rounds of competition, presenters will be allowed a few minutes to describe their idea to the judges, who then will fire off questions to the presenters in the style of the television show, "Shark Tank." The winner will receive a prize package designed to help them take their idea to market. In addition to the \$5,000 cash award, the prize package will include one-on-one mentoring from established entrepreneurs and advisors, as well as in-kind services provided by Open i Advisors and other sponsors. Venture Sharks has awarded more than \$100,000 in prizes since it launched in 2010.

Last year's winner was Prodigy Biosciences, a Louisville company started by Amanda Cannady. Prodigy Biosciences is developing a rapid tableside food-testing device that will detect traces of peanuts in food. The product differs from those such as the EpiPen in that it prevents an allergic reaction rather than treating the reaction. Cannady came up with the idea of a testing device after struggling with her own food allergies.

Applications are available at ventureconnectors.org/venturesharks and are due by 5 p.m. on Friday, March 20. The Venture Sharks committee will choose the top ideas to compete during the preliminary round of the competition, held April 14, where the field then will be narrowed to four finalists. The final round will be held on May 6 during the regular monthly Venture Connectors' luncheon meeting.

A dedicated LLC or corporation need not have been created, but the idea and business being pitched must not be a direct spinout of a larger parent company. There is no restriction on age of the business, but it must have less than \$75,000 of lifetime revenue. The business also cannot have raised, or had invested in it, more than \$50,000 from any source at the time of application.

The Venture Sharks winner must agree to use their prize to directly pursue the business opportunity presented in the competition. The winner will be selected based on the viability of their idea, the ability of the final award to positively impact the business and the quality of their presentation.

Registration is required. For more information and to register, visit ventureconnectors.org.

Venture Connectors is a not-for-profit organization, originally formed in 1995 as the Venture Club of Louisville with the goal of connecting entrepreneurs, investors, service providers, inventors, academics, practitioners, technologists, students and business experts to increase the number and quality of new ventures. Events include monthly luncheons and the annual Venture Sharks competition.



KENTUCKY PEOPLE

LOUISVILLE

SAM MOORE, JAMES STUECKER RECEIVE AWARDS FOR DISTINGUISHED SERVICE TO KENTUCKY AGRICULTURE



The Kentucky Farm Bureau recently recognized Sam Moore and James Stuecker for their service to the agriculture industry and Kentucky Farm Bureau. Moore (left), of Morgantown, was presented with the 2019 Distinguished Service to Agriculture Award in recognition of more than 55 years of leadership and involvement in the Kentucky ag industry. Stuecker (right), of Elizabethtown, was awarded the 2019 Distinguished Service to Farm Bureau award for his lifetime dedication to family, farming and the local community.

MOREHEAD

MOUNTAIN TELEPHONE CORP. RECOGNIZED FOR ITS CONTRIBUTIONS TO MOREHEAD STATE UNIVERSITY



The Morehead State University board of regents recently recognized the Mountain Telephone Corp. for its ongoing support of the university and its students through scholarships that have totaled nearly \$2 million since 1988. Pictured here are (left to right) MSU President Jay Morgan, Mountain Telephone Assistant General Manager Quentin Murphy and Mountain Telephone General Manager Shayne Ison.

GLASGOW

DAVIS PRINTING PRESENTS ANNUAL OFFICE OF THE YEAR AWARD TO GERALD PRINTING IN GLASGOW



Gerald Printing in Glasgow was recently presented with the 2019 Office of the Year award, presented annually to the outstanding office from the seven Davis Printing locations. Employees Rebecca Penning and Sarah Wyatt were also presented with awards for their outstanding efforts. Pictured left is Metcalfe/Green Account Representative and CSR Rebecca Pennington (center), who won the companywide "People's Choice" award. With her are Davis Printing President Joe Davis (left) and Glasgow Sales Manager Chris Houchens. Pictured right is Production Supervisor Sarah Wyatt, who won the "Going the Extra Mile" award. She is pictured with Glasgow Sales Manager Chris Houchens.

LEXINGTON

ROB AND DIANE PEREZ PRESENTED WITH HUMANITARIAN AWARD



Virginia Carter photo

The Rotary Club of Lexington has presented its Humanitarian Cup Award to Rob and Diane Perez, founders of the DV8 Kitchen restaurant and the DV8 Kitchen Foundation in Lexington. DV8 was developed and operates as a second-chance employment opportunity for people who are trying to redirect their lives after dealing with substance abuse. The Humanitarian Cup Award requires that the recipient have a generosity of spirit and have selflessly dedicated his or her time to serving others less fortunate while making a significant humanitarian contribution of volunteer leadership that benefits the lives of others and the welfare of humanity. Pictured here are (left to right) Rotary Club of Lexington President Robert Ryan, Diane Perez and Rob Perez.

LOUISVILLE

NAZARETH HOME CLIFTON HONORED FOR EXCELLENCE IN NURSING AND REHAB



Nazareth Home Clifton was honored at the Kentucky Association of Health Care Facilities' Quality Awards Banquet with the Best of Kentucky – Nursing and Rehabilitation award for 2019. Pictured here with the award is Lisa Biddle-Puffer, administrator of Nazareth Home Clifton.



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