

MINUTES OF THE REGULAR MEETING
OF THE STATE BANKING BOARD

DECEMBER 17, 2003

As first item in order of business on the agenda, Chairman Thompson called the Banking Board meeting to order at 10:00 a.m., pursuant to the Agenda that was posted for public display prior to 10:00 a.m. on December 16, 2003. The meeting was held in the Conference Room of the State Banking Department, Oklahoma City, Oklahoma.

Second item on the agenda was roll call; the following members were present:

Mick Thompson, Chairman
Gary Huckabay
John Goad
Chris Conn
Gordon Greer

Member Cartwright and Member Newcomb were absent.

Also present: Charles R. Griffith, Deputy Commissioner; Dudley Gilbert, Legal Counsel; Randy Brooks, Director of Examinations; Sherbie Kiffin, Assistant Deputy Commissioner; Kurt Blair, Senior Examiner; Rhonda Bruno, Budget Director; Stacey Tayar, Administrative Assistant; and Angela Morris, Secretary.

The Chairman noted for the record that a quorum was present.

Third item on the agenda, Chairman Thompson called for approval or discussion of the Minutes of the Regular Meeting of the State Banking Board held November 19, 2003. Member Goad made the motion for approval. Motion was seconded and approved as follows:

Gary Huckabay – voted yes
Chris Conn – voted yes
John Goad – voted yes
Gordon Greer – voted yes

Fourth item on the agenda, Commissioner's Monthly Reports:

A. Department Status Update.

Chairman Thompson said assessments have been mailed to all institutions. He said a memo was sent to all institutions regarding concerns that some institutions had in preparing their budgets and whether there would be another special assessment. The memo states there will not be a special assessment this year and that the previous year's assessment rate was voted by the Board to remain the same.

He said an article in the American Bankers Association said the OCC will be increasing their assessment by 1.5% for national banks.

B. Examination Report .

Chairman Thompson gave the monthly examination report showing that during the month of November one fed member bank, five nonmember banks, two credit unions, and one cemetery were examined. Examinations in process at the end of November were seven banks, two credit unions, and one cemetery.

Assistant Deputy Commissioner Reel attended the CSBS Examiner Education Forum in Tucson (November 3-5);

Four examiners attended the Federal Reserve Bank's Portfolio Management Seminar in Kansas City (November 3-5);

Commissioner Thompson and General Counsel Gilbert attended the CSBS Banking Summit in Washington, DC (November 5-6); and

Two credit union examiners attended the NCUA Consumer Compliance and Small Credit Union Seminar in Dallas (November 18-20).

Chairman Thompson asked Randy Brooks to give an examination update.

Mr. Brooks said at the end of November, the Department was caught up on examinations.

C. Legislative Update

Chairman Thompson said the date for filing legislation has passed. He said Chairperson Easley has a study committee regarding Predatory Lending. He asked Stacey Tayar if there are any bills currently filed that will affect the Department?

Stacey Tayar said none that she could find, but she has a call in to Senator Rabon's office to confirm that information.

Chairman Thompson asked Mr. Gilbert if he knew of any bills that would affect the Department?

Mr. Gilbert said no. He said a rulemaking notice will be filed next week. He said the Board will be sent copies in January regarding the proposed rules. He said there may be a Record Retention Committee formed in the next year to update the Record Retention rule for the Banking Code. He said the Committee should consist of representatives from the OBA, bankers, and the Department.

D. Pending Applications

Fifth item on the agenda, Request for Conversion from a National Charter to a State Chartered Institution pursuant to Title 6 Okla. Stat. §1101:

A. State National Bank, Eufaula, Oklahoma
Proposed Name: "Bank of Eufaula"

Kurt Blair, Senior Examiner in charge of the conversion examination, said this bank is a solid bank and will be a good addition to the Banking Department and the state.

Randy Peterson, President, said the bank was a state charter in 1910 and they are ready to become a state charter again. He said he feels there will be a better relationship with the Department than they've had with the Comptroller of the Currency.

Member Goad made the motion to approve the request. Motion was seconded and approved as follows:

Gary Huckabay – voted yes
Chris Conn – voted yes
John Goad – voted yes
Gordon Greer – voted yes

Sixth item on the agenda, Consideration of changes to the Oklahoma State Banking Department Employee Description Manual pursuant to Title 6 Okla. Stat. §201.C.5.

Chairman Thompson said this is brought to the Board every year for revisions. He said last month the Board was told that updates to the Manual would be on the agenda this month. He said one major revision is to change the word "bank" to "financial institution". He said financial institution applies to savings associations, credit unions and banks - the word "bank" didn't apply to all the different types of institutions.

Member Goad asked if there is an organizational chart for the Department?

Chairman Thompson said yes. Stacey Tayar gave each of them a copy of the Governor's Report that included the organizational chart.

Member Greer asked why each description has ten levels?

Chairman Thompson said because when raises are given, whether they are across the Board or someone is promoted, these levels are needed.

Member Huckabay asked if the entire manual is new?

Chairman Thompson said no. He said at the meeting last month there was discussion regarding building the Department's reserves and raises for examiners. He said there is a proposal at the Governor's office to raise examiner salaries.

Member Greer asked if the main change to each description is the maximum being raised by \$5,000 increments?

Chairman Thompson said that is correct.

Member Huckabay asked if changes can be made to the Manual anytime of the year?

Chairman Thompson said yes.

Member Huckabay asked what Assistant Deputy Commissioner means?

Chairman Thompson said this position was created because Sherbie Kiffin was formerly described as a Senior Examiner but does administrative work such as handling complaints, reviewing applications, etc. He said Tony Reel was also a Senior Examiner but reviews applications, examination reports and handles all training. He said they tried to fit their description with their jobs and Assistant Deputy Commissioner is what was created.

Member Greer made the motion to approve the revisions to the Employee Position Description Manual. Motion was seconded and approved as follows:

Gary Huckabay – voted yes
Chris Conn – voted yes
John Goad – voted yes
Gordon Greer – voted yes

Chairman Thompson said at the last meeting there was a question as to what the powers of the Board are. He said this information was faxed to the Board after the meeting last month.

Member Huckabay thanked him for this information. He said Dick Stubbs of First National Bank, Henryetta, passed away.

New business. The Commissioner asked if there was new business to come before the Board. None was suggested.

Member Conn made the motion to adjourn at 10:25 a.m. Motion was seconded and unanimously approved as follows:

Gary Huckabay – voted yes
Chris Conn – voted yes
John Goad – voted yes
Gordon Greer – voted yes

Mick Thompson, Chairman

Gary Huckabay

Chris Conn

Gordon Greer

John Goad