

MINUTES OF THE REGULAR MEETING
OF THE STATE BANKING BOARD

JANUARY 18, 2006

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 January 17, 2006. Notice of the meeting was also made available to the Secretary of State pursuant to Title 25 O.S. § 311 (The Open Meeting Act). 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
Chris Conn
John Goad
Gary Huckabay
Bob Newcomb

Member Cartwright and Member Greer were absent.

Also present: Dudley Gilbert, Legal Counsel; Charles Griffith, Deputy Commissioner; Tony Reel, Assistant Deputy Commissioner; Sherbie Kiffin, Assistant Deputy Commissioner; Rhonda Bruno, Budget Director/Controller, and Angela Morris, Secretary.

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

Member Newcomb made the motion for approval. Motion was seconded and approved as follows:

Chris Conn – voted yes
John Goad – voted yes
Gary Huckabay – voted yes
Bob Newcomb – voted yes

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

A. Department Status Update

Chairman Thompson said Thursday, January 26, Tom Curry, Member of the FDIC Board in Washington, D.C., will be here to visit the Department. He said any Banking Board members are welcome to attend and some members of the OBA will also be attending. There will be a luncheon at the OBA after the meeting. If you plan to attend, please let Stacey Tayar know by Friday.

Chairman Thompson said the Board packets included a projected six month budget for the Department. On the Expenditure Summary page, the balance at the end of 2004 was approximately

\$1.6 million and approximately \$2.4 million at the end of 2005. He said there has been approximately \$390,000 increase in expenses because of mileage increases, statutory retirement increase, statutory insurance increase, skill-based adjustment, and statutory pay increases. The Department is \$283,000 under budget for the first six months.

Chairman Thompson gave Board members another handout that was also given at the last meeting which detailed expenditures by object code. He explained any variances between budgeted items and actual expenditures.

Chairman Thompson then discussed the Revenue Report handout and the fee sharing agreement adjustments. The fee sharing adjustment is a contract the Department has with Texas paying the Department a fee to take care of the examination of IBC branches in Oklahoma. They pay the Department based upon the assets in Oklahoma of IBC which is sometimes monthly, it is a floating assessment. There is also a fee sharing adjustment contract between the Department and Arkansas which is a fee for the Department to examine the Arvest branches in Oklahoma. Arkansas pays by an hourly fee.

Chairman Thompson said each January the Department Training Coordinators which consists of Tony Reel and Stacey Tayar get together to assess classes that each individual employee may need to take. Some classes are coordinated with CSBS and NCUA. If webcast classes are available, the Department uses those.

B. Examination Report .

Chairman Thompson gave the monthly examination report showing that during the month of December two fed member banks, four nonmember banks, three credit unions, and three trust companies were examined. Examinations in process at the end of December were three banks, two credit unions, two cemeteries, and two trust companies.

Mr. Reel said the Department is ahead on examinations.

Chairman Thompson said the two trainees in Oklahoma City and the two new examiners in Tulsa are doing well.

C. Legislative Update

Chairman Thompson said the Department has no specific legislation this session but asked the OBA President, Roger Beverage, to discuss any legislation proposed by the OBA.

Roger Beverage said the OBA has been working with Speaker Piatt to find ways to develop more capital in Oklahoma. One of the ways suggested has been to look at ways to expand choices for consumers to be offered more products and services which are offered in other states. He said all decisions/proposals will be subject to this Board's review and approval in each instance and believe it will make it through the process. He said the OBA has several cleanup bills also being worked on.

D. Pending Applications

Chairman Thompson asked if Board members are receiving pending applications.

Fifth item on the agenda, Consideration of Request for Approval of Merger and Application for Certificate to Maintain and Operate a Branch by Acquisition:

Dave Huebert, Executive Vice President and Joe Shockley, Chief Financial Officer, were present to answer questions. Mr. Huebert said Park State Bank, Nicoma Park, has been acquired by BancFirst Corp. and this application is basically to merge Park State Bank, Nicoma Park, into BancFirst.

Member Conn made the motion to approve the Application for Merger of Park State Bank, Nicoma Park, Oklahoma, with and into BancFirst, Oklahoma City, Oklahoma, pursuant to Title 6 O.S. § 1103. Motion was seconded and approved as follows:

Chris Conn – voted yes
John Goad – voted yes
Gary Huckabay – voted yes
Bob Newcomb – voted yes

Member Goad made the motion to approve the Branch Application of BancFirst, Oklahoma City, Oklahoma, pursuant to Title 6 O.S. § 501.1 and O.A.C. 85:10-9-2. Branch by Acquisition – proposed bank to be acquired and converted to a branch: Park State Bank, 2414 N. Westminster Road, Nicoma Park, Oklahoma. Proposed Name: "BancFirst – Nicoma Park"

Motion was seconded and approved as follows:

Chris Conn – voted yes
John Goad – voted yes
Gary Huckabay – voted yes
Bob Newcomb – voted yes

Member Conn made the motion to adjourn at 10:15 a.m. Motion was seconded and unanimously approved as follows:

Chris Conn – voted yes
John Goad – voted yes
Gary Huckabay – voted yes
Bob Newcomb – voted yes

Mick Thompson, Chairman

Chris Conn

John Goad

Gary Huckabay

Bob Newcomb