

MINUTES OF THE SPECIAL MEETING  
OF THE STATE BANKING BOARD

JULY 29, 2008

**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 July 28, 2008. 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  
Gordon Greer  
Bradley Krieger  
Bob Newcomb  
Bob Weaver

Members Burrage and Conn were absent.

Also present: Charles Griffith, Deputy Commissioner; Sherbie Kiffin, Assistant Deputy Commissioner; Rhonda Bruno, Budget Director; Regina Rainey, Administrative Assistant; and Angela Morris, Secretary.

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

**Third item** on the agenda was the approval of the minutes for the regular meeting held May 14, 2008.

Member Greer made the motion for approval of the minutes. The motion was seconded by Member Newcomb and approved as follows:

Gordon Greer – voted yes  
Bradley Krieger – voted yes  
Bob Newcomb – voted yes  
Bob Weaver – voted yes

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

A. Department Status Update

Chairman Thompson introduced his new Administrative Assistant, Regina Rainey. She has a masters degree from OSU, and was previously legislative assistant for the Majority Floor Leader of the Oklahoma House of Representatives.

Chairman Thompson said the next Banking Board Meeting, August 20, will be at the new building if it is completed.

## B. Examination Report

Chairman Thompson said during the month of June, two fed members, four non member banks, four credit unions, one trust department, and two cemeteries were examined. He said examinations in process at the end of June were three banks, one credit union, one savings and loan, and one cemetery.

Chairman Thompson said one examiner attended CSBS EIC School; one examiner instructed at the CSBS EIC School; two examiners attended FDIC's Information Technology Examination Course; ten examiners attended an OBA 2-Hour Webinar on Center Exemptions; and two examiners attended CSBS Examiner Forum. Also, one examiner graduated from Colorado Graduate School of Banking last Friday.

Member Greer asked if the Department is current on examinations?

Mr. Griffith said the Department is close to being current.

Chairman Thompson said the Department is looking to hire two examiner trainees.

## C. Legislative and Rulemaking Update

Chairman Thompson said the Majority Floor Leader and Banking Chairman will have new Chairmans and have not been announced to date.

Chairman Thompson said the Board may want to look at changing the statutes so that future mergers, which both banks are state chartered, may be approved by the Commissioner. National banks merging into state banks and other factors that may be questionable would still come to the Banking Board.

Member Greer asked if state agencies can do conference calls?

Chairman Thompson said he didn't think so, but would have Ms. Rainey to review the issue.

Member Newcomb said he thought public hearings couldn't be done by conference call.

Member Greer said back to the subject of certain mergers being approved by the Commissioner, he didn't see a problem with this.

Chairman Thompson gave Board members a copy of a Press Release sent out a couple of weeks ago that they should have already received regarding the IndyMac Bank problems in California. He said Oklahoma banks are well-capitalized and strong.

Chairman Thompson reviewed the expenditure report prepared by Rhonda Bruno with the Board. He said the Department is under budget 10% to date.

Chairman Thompson said on the Revenue Report, this information is provided through a system by the Office of State Finance. He said the other report is completed manually by Rhonda Bruno. He plans to provide the Board the information the same way if this information being provided this way is adequate to them. The system is used to pay claims, human resources, and ordering items.

Member Greer asked what fees the Department receives that are exempt from the state?

Chairman Thompson said only assessments and 10% of that goes to the general revenue fund.

Chairman Thompson commended Charles Griffith, Deron Brubaker and Rhonda Bruno for their efforts on the new building. He said Central Services said no other state agency has monitored the status of their building as well as our agency has.

D. Report to the Board on status of pending applications.

Chairman Thompson said a bank application that has already been approved by the Board is probably going to be withdrawn. He will let the Board know which bank this is soon as the information is official.

**Fifth item** on the agenda:

Consideration of, and possible action on, Request for Approval of Merger of NBanC, Oklahoma City, Oklahoma, with and into NBanC, Tulsa, Oklahoma, pursuant to Title 6 O.S. § 1103.

H.K. Hatcher, Jerry Krittenbrink and Steve McLaughlin of NBanC and Gregg B. Eichner of McAfee & Taft were present to answer questions.

Mr. Hatcher said the bank plans to merge NBanC, Oklahoma City into NBanC, Tulsa, change the name, and relocate the main office to Oklahoma City.

Chairman Thompson said Sherbie Kiffin prepared the Analysis and can answer any questions regarding it.

Member Greer asked for clarification on the security portfolio. He said there seems to be something unusual in here.

Mr. McLaughlin said Mr. Krittenbrink would be able to respond to questions about the security portfolio.

Member Greer asked about the program, the collateralization and what the plans are in place to handle this.

Mr. Krittenbrink said the bank had purchased CMO securities and yes, they plan on letting \$10 million run off.

Member Newcomb made the motion to Merge NBanC, Oklahoma City, with and into NBanC, Tulsa, Oklahoma. Motion was seconded by Member Krieger and approved as follows:

Gordon Greer – voted yes  
Bradley Krieger – voted yes  
Bob Newcomb – voted yes  
Bob Weaver – voted yes

Chairman Thompson said an examiner has been working on private placement CMO's and found some problems. What looks good on the surface may not always be good.

Mr. Krittenbrink said the reason they requested a Special Meeting is originally their data processor was going to be able to convert in September, but had a July 31 opening to finalize the merger. He thanked the Board for allowing the Special Meeting.

**Sixth item** on the agenda: Adjournment.

Motion made to adjourn by Member Greer.  
Motion seconded by Member Newcomb.

Motion was approved as follows:

Gordon Greer – voted yes  
Bradley Krieger – voted yes  
Bob Newcomb – voted yes  
Bob Weaver – voted yes

Meeting was adjourned at 10:30 a.m.

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Mick Thompson, Chairman

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Gordon Greer

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Bradley Krieger

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Bob Newcomb

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Bob Weaver