

MINUTES OF THE REGULAR MEETING  
OF THE STATE BANKING BOARD

NOVEMBER 19, 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 November 18, 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  
David Burrage  
Chris Conn  
Brad Krieger  
Bob Newcomb  
Bob Weaver

Member Greer was absent.

Also present: Charles Griffith, Deputy Commissioner; Dudley Gilbert, Legal Counsel; Sherbie Kiffin, Assistant Deputy Commissioner; Tony Reel, Assistant Deputy Commissioner; Deloris Finley, Senior Examiner; Regina Rainey, Administrative Assistant; Rhonda Bruno, Director of Administration, and Angela Morris, Secretary.

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

**Third item** on the agenda was the approval of the minutes for the regular meeting held October 15, 2008.

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

David Burrage – voted yes  
Chris Conn – voted yes  
Bob Newcomb – voted yes  
Brad Krieger – voted yes  
Bob Weaver – voted yes

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

A. Department Status Update

Chairman Thompson said he will talk about the Department Status Update under Item VIII.

B. Examination Report

Chairman Thompson said during the month of October, one Fed member bank, three nonmember banks, one credit union, one trust company, and four cemeteries were examined. He said examinations in process at the end of October were two banks, two credit unions, one cemetery, and one trust company.

Chairman Thompson said the Department is current on examinations.

C. Legislative and Rulemaking Update

Chairman Thompson said the Department is working on current national issues. He will work with the Treasury Department to ensure that community banks do not get unnecessary regulatory burden as a consequence of the wall street financial problems.

Chairman Thompson said the Department will have a Bill this legislative session for cleanup language. He spoke with the Majority Floor Leader of the House and a new Banking Chairman will be decided the first week of December. The OBA will not have much legislation this year either.

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

**Fifth item** on the agenda:

Consideration of, and possible action on, Request for Approval of Merger of Community Bank and Trust Company, Tulsa, Oklahoma, with and into ONB Bank and Trust Company, Tulsa, Oklahoma, pursuant to Title 6 O.S. § 1103.

Sherbie Kiffin, Assistant Deputy Commissioner, said in August 2008 ONB Bank and Trust Company acquired certain assets and assumed the deposit liabilities of Community. ONB had entered into a stock purchase agreement with an individual who would purchase the stock of Community Bank with the intent of organizing a new bank charter. The purchaser was unable to raise the additional capital needed, and the purchase did not occur. The decision was made to merge Community into ONB and terminate Community's charter.

Member Newcomb made the motion to approve the Merger of Community Bank and Trust Company, Tulsa, Oklahoma, with and into ONB Bank and Trust Company, Tulsa, Oklahoma. Motion was seconded by Member Krieger and approved as follows:

David Burrage – voted yes  
Chris Conn – voted yes  
Bob Newcomb – voted yes

Brad Krieger – voted yes  
Bob Weaver – voted yes

**Sixth item** on the agenda:

Consideration of, and possible action on, Request for Approval of Merger of AmQuest Financial

Corp., Duncan, Oklahoma, with and into Investors Trust Company, Duncan, Oklahoma, pursuant to Title 6 O.S. §§ 1019 and 1111.

John Campbell was present to answer questions.

Mr. Campbell said AmQuest owns all outstanding shares. He said AmQuest has become unnecessary and no longer a source of strength and duplicative in operations and merging is a good option.

Member Newcomb pointed out a typographical error in the merger agreement. Mr. Campbell assured him that the shareholders and directors approved the merger.

Member Conn made the motion to approve the Merger of AmQuest Financial Corp., Duncan, Oklahoma, with and into Investors Trust Company, Duncan, Oklahoma. Motion was seconded by Member Newcomb and approved as follows:

David Burrage – voted yes  
Chris Conn – voted yes  
Bob Newcomb – voted yes  
Brad Krieger – voted yes  
Bob Weaver – voted yes

**Seventh item** on the agenda:

Consideration of, and possible action on, Request for Approval of Merger and Application for Certificate to Maintain and Operate a Branch by Acquisition:

- A. Application for Merger of The First State Bank, Ketchum, Oklahoma, with and into First Bank & Trust Company, Wagoner, Oklahoma, pursuant to Title 6 O.S. § 1103.
- B. Branch Application of First Bank & Trust Company, Wagoner, Oklahoma, pursuant to Title 6 O. S. § 501.2 and O.A.C. 85:10-9-2.  
Branch Location – 110 West Ketchum Avenue, Ketchum, Oklahoma  
Proposed Name: “First Bank & Trust Company – Ketchum Branch”

Marion Bauman, Attorney, and Roy Wile of First Bank & Trust Company, Wagoner, Oklahoma, were present to answer questions.

Mr. Bauman said the Martin family has had control for thirty five years of the First Bank & Trust Company, Wagoner, Oklahoma. Their objective to merge The First State Bank, Ketchum, into their bank is to clean up and combine operations.

Member Newcomb made the motion to approve the Merger of The First State Bank, Ketchum, Oklahoma, with and into First Bank & Trust Company, Wagoner, Oklahoma. Motion was seconded by Member Krieger and approved as follows:

David Burrage – voted yes  
Chris Conn – voted yes  
Bob Newcomb – voted yes  
Brad Krieger – voted yes  
Bob Weaver – voted yes

Member Conn made the motion to approve the Branch Application of First Bank & Trust Company, Wagoner, Oklahoma. Motion was seconded by Member Newcomb and approved as follows:

David Burrage – voted yes  
Chris Conn – voted yes  
Bob Newcomb – voted yes  
Brad Krieger – voted yes  
Bob Weaver – voted yes

**Eighth item** on the agenda:

Consideration and prescription of the rates of bank and trust company assessments for Oklahoma chartered institutions existing as of December 31, 2008, calculated on institution assets as of December 31, 2008, pursuant to Title 6 O.S. § 211 (A)(2).

Commissioner Thompson discussed the Department's budget and stated that Rhonda Bruno, Director of Administrations, was present to answer any specific questions. He stated that the Department's cash balance as of September 30, 2008, is down by over \$600,000 from that as of September 30, 2007. He then stated that due to the uncertainty surrounding the national economy and its impact on Oklahoma financial institutions, he would recommend that assessment rates charged to banks and trust companies not be increased.

Dudley Gilbert then stated the rates of assessments that had been charged in 2007.

Member Newcomb made the motion to approve assessment rates for trust companies at the following rates: (1) a rate of \$.18 cents per \$1,000 of company-owned assets, plus (2) a rate of \$.10 cents per \$1,000 of assets under management, but this portion of the assessment be capped at \$25,000. Motion was seconded by Member Krieger and unanimously approved, as follows:

David Burrage – voted yes  
Chris Conn – voted yes  
Bradley Krieger – voted yes  
Bob Newcomb – voted yes  
Bob Weaver – voted yes

Member Newcomb made the motion to approve assessment rates for banks at the following rates: (1) \$.18 cents per \$1,000 of assets on the first \$1 billion, \$.14 cents per \$1,000 on the assets exceeding \$1 billion, but not exceeding \$2 billion, and \$.10 cents per \$1,000 on assets exceeding \$2 billion. Motion was seconded by Member Krieger and unanimously approved as follows:

David Burrage – voted yes  
Chris Conn – voted yes  
Bradley Krieger – voted yes  
Bob Newcomb – voted yes  
Bob Weaver – voted yes

**Ninth item** on the agenda:

Consideration of, and possible action on, changes to the Oklahoma State Banking Department Employee Position Description Manual pursuant to Title 6 O.S. Section 201.C.5.

Chairman Thompson discussed the four supervisory areas in the Department: Examinations, Applications/Complaints, Legal, and Administration. He described the creation of the position of “Director of Administration” and how the duties of other personnel are being adjusted to better fit the areas of expertise. He said one Board member pointed out since minimum wage will be changing soon, some of the employee description minimum salaries will be under minimum wage and it has suggested this be changed from \$15,000 to \$20,000.

Member Weaver made the motion to approve the Employee Description Manual changes. Motion was seconded by Member Conn and approved as follows:

David Burrage – voted yes  
Chris Conn – voted yes  
Bob Newcomb – voted yes  
Brad Krieger – voted yes  
Bob Weaver – voted yes

Chairman Thompson gave Board members a copy of the 2009 Banking Board Schedule. He also asked the Board for feedback regarding mergers between two state chartered banks – whether the Board would still like to approve these or give the Commissioner power to do this. If so, legislative changes will need to be done.

Chairman Thompson said the Department will be considering whether to hire more examiner trainees in the coming year. He wished everyone Happy Holidays.

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

Motion made to adjourn by Member Conn.  
Motion seconded by Member Krieger.

Motion was approved as follows:

David Burrage – voted yes  
Chris Conn – voted yes  
Bob Newcomb – voted yes  
Brad Krieger – voted yes  
Bob Weaver – voted yes

Meeting was adjourned at 10:38 a.m.

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Mick Thompson, Chairman

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David Burrage

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Chris Conn

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Bob Newcomb

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Brad Krieger

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Bob Weaver