

MINUTES OF THE REGULAR MEETING

OF THE STATE BANKING BOARD

JUNE 17, 2009

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 June 16, 2009. 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
Gordon Greer
Brad Krieger
Bob Newcomb
Bob Weaver

Member Burrage was absent.

Also present: Charles Griffith, Deputy Commissioner; Dudley Gilbert, Legal Counsel; Sherbie Kiffin, Assistant Deputy Commissioner; Rhonda Bruno, Director of Administration; Holly Wingfield, Clerk 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 November 19, 2008.

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

Gordon Greer – 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 the Department is working on re-accreditation with CSBS. This will be the 4th time to be accredited. Accreditation is done every five (5) years. The Department answers a

questionnaire and has an on-site visit from CSBS. All suggestions from previous accreditation reviews have resulted in improvements such as we now have three trained trust examiners and several IT examiners.

B. Examination Report

Chairman Thompson said during the month of May one fed member bank, five non-member banks, three credit unions, one trust department and two cemetery exams were examined. Exams in process at the end of May were three banks, two credit unions, and one cemetery.

Chairman Thompson reported that during the past few months two examiners attended CSBS Senior School; three examiners attended CSBS Trust Forum; one examiner attended Money Transmitter Operations School; one examiner attended CSBS Credit School Curriculum; three staff members and one examiner attended CSBS Legislative Fly-In; one examiner attended CSBS Operations School; two examiners attended CSBS Problem Bank School; and two examiners attended CSBS Real Estate Appraisal Review Course.

Charles Griffith said the Department is current on exams.

Chairman Thompson said Ilene Martzen, Cemetery Examiner is retiring. The Insurance Department currently examines pre-need funeral home contracts. Three different agencies regulate different parts of the cemetery and funeral industry: 1) Banking Department; 2) Insurance Department; and 3) Funeral and Embalmers Board. One bank examiner will be doing cemetery examinations for now.

C. Legislative and Rulemaking Update

Chairman Thompson said the first bill signed this legislative session was H.B. 1618. He gave Board members a summary of H.B. 1618. H.B. 2250 was a bill sponsored by Bureau of Narcotics and will allow the Bank Commissioner to freeze an account for 15 days if the Bureau of Narcotics issues an affidavit showing probable cause.

Mr. Gilbert said the bill also states there is no liability to the bank. Customers will be allowed an emergency hearing with the District Court for due process to see if an error has been made.

Mr. Greer asked when this bill becomes effective?

Mr. Gilbert said July 1.

Chairman Thompson said he has spent a lot of time in Washington DC regarding current economic issues. He said there will be more federal regulation. OTS will merge into the Comptroller of the Currency if the President's Regulatory Plan passes Congress. Board members will be kept up-to-date as issues arise.

Chairman Thompson said he was recently appointed to the CSBS Regulatory Restructuring Committee.

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

Member Newcomb asked on pending applications what the status is on Banican Bank?

Ms. Kiffin said it is still in process.

E. In the Matter of Frontier State Bank, Oklahoma City, Oklahoma (FDIC-07-288b)

Mr. Gilbert reported that an Administrative hearing was held from June 1 – June 8. FDIC had four witnesses and Frontier State Bank had three witnesses (2 bank employees and one outside expert). There were no closing arguments. Transcript will be available soon and at that time the parties will submit closing briefs. The Judge will make a recommendation to the FDIC Board, which will then make a decision as to whether a C&D should be issued.

Member Krieger asked if Washita State Bank, Burns Flat is involved since they are owned by the same person?

Mr. Gilbert said no.

Chairman Thompson reviewed the budget information for March 31, 2009.

Member Greer asked if the Department is on budget for building costs?

Chairman Thompson said it is under budget.

Ms. Bruno said \$25,000 is still owed on the building due to the contractor and architect.

Chairman Thompson said the green columns in front of the building are supposed to have lights in them, this issue has not been finalized yet.

Chairman Thompson said most agencies are taking a 7-9% cut and reducing travel.

Member Greer asked how feasible it is to have more offsite examination time?

Chairman Thompson said yes and we are working in that direction. He would like 75% in the office and 25% at the bank.

Fifth item on the agenda:

Consideration of, and possible action on, Application for Authority to Engage in the Banking Business by a company to be known as First Oklahoma Bank, Tulsa, Oklahoma, pursuant to Title 6 O.S. § 301 *et seq.*

Bruce Crum, Attorney, presented the details of the application to the Board. Mr. Crum said the application was filed in January 2009. Plan to be a nonmember. The timing process has slowed down since the first meeting because of economic conditions. There will be a large number of shareholders. Plan to have a de novo charter at 41st and Peoria. Capitalization of bank is \$15.5 million. They have met with the FDIC staff in Dallas, were given parameters to move application forward. FDIC has accepted the application for processing. Mr. Crum discussed the possibility of the same investors purchasing a bank in Glencoe, Oklahoma.

Mr. Tom Bennett said the proposed co-chief executive officer introduced the proposed management team and discussed their background and roles in the bank.

Mr. Bennett said they plan to make good loans and pledge to do solid banking.

Member Krieger asked Mr. Bennett if the growth he proposes is in the Tulsa community or through acquisitions?

Mr. Bennett said both.

Chairman Thompson said he has a letter from Bruce Crum dated June 8 regarding changes to the application.

Member Newcomb asked if they plan to do a de novo charter or purchase Glencoe?

Mr. Crum said they would prefer to do the de novo, but they may purchase Glencoe, depends on whether the FDIC will approve the new charter. Mr. Crum discussed the alternatives available to the investors with respect to obtaining a new charter as a merger vehicle or simply acquiring the share of another bank.

Member Greer asked if a change of control needs approval?

Mr. Crum said a holding company could buy Glencoe, relocate its main office to Tulsa and leave a branch in Glencoe.

Member Greer made the motion to approve Application for Authority to Engage in the Banking Business by a company to be known as First Oklahoma Bank, Tulsa, Oklahoma. Motion was seconded by Member Newcomb and approved as follows:

Gordon Greer – voted yes
Chris Conn – voted yes
Bob Newcomb – voted yes
Brad Krieger – voted yes
Bob Weaver – voted yes

Sixth item on the agenda:

Proposed Executive Session:

The purpose of the proposed executive session shall be for discussion of the following items of business: (i) confidential communications between the Board and its attorney concerning the status of pending investigation and action involving First State Bank of Altus, Altus, Oklahoma, pursuant to Title 25 O.S. § 307(B)(4) of the Oklahoma Open Meeting Act, and (ii) confidential communications between the Board and its attorney concerning the status of pending investigation, claim, or action involving Glencoe State Bank, Glencoe, Oklahoma, pursuant to Title 25 O.S. § 307(B)(4) of the Oklahoma Open Meeting Act.

Mr. Gilbert advised the Board as follows: “It is my advice that discussion of these items of business in open meeting will seriously impair the ability to conduct pending investigations and proceedings in the public interest.”

At that time, Member Newcomb made the motion to adjourn from the regular meeting to an executive session. Motion was seconded by Member Greer and approved as follows:

Gordon Greer – voted yes
Chris Conn – voted yes
Bob Newcomb – voted yes
Brad Krieger – voted yes
Bob Weaver – voted yes

At 11:17 the Board adjourned from the regular meeting to an executive session. At that time, the Board entered into executive session.

At 11:38, Member Krieger made the motion to return to the regular meeting. Motion was seconded by Member Newcomb and approved as follows:

Gordon Greer – voted yes
Chris Conn – voted yes
Bob Newcomb – voted yes
Brad Krieger – voted yes
Bob Weaver – voted yes

E. There was no action taken on items discussed in the executive session.

Seventh item on the agenda: New Business.

Chairman Thompson thanked the Board for the support of the Department and attending the Open House.


Eighth item on the agenda: Adjournment.

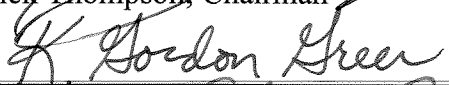
Motion made to adjourn by Member Krieger.
Motion seconded by Member Greer.

Motion was approved as follows:

Gordon Greer – voted yes
Chris Conn – voted yes
Bob Newcomb – voted yes
Brad Krieger – voted yes
Bob Weaver – voted yes


Meeting was adjourned at 11:42 a.m.



Mick Thompson, Chairman


Gordon Greer


Chris Conn


Bob Newcomb


Brad Krieger


Bob Weaver



STATE OF OKLAHOMA

STATE BANKING DEPARTMENT

*** NOTICE ***

**The Oklahoma State Banking Board
Regularly Scheduled Meeting
Wednesday, June 17, 2009, 10:00 A.M.
Oklahoma State Banking Department
Conference Room
2900 North Lincoln Boulevard
Oklahoma City, Oklahoma 73105**

*** AGENDA ***

- I. Call to Order.
- II. Roll Call.
- III. Approval of Minutes of the Regular Meeting Held November 19, 2008.
- IV. Commissioner's Monthly Reports:
 - A. Department Status Update.
 - B. Examination Report.
 - C. Legislative Update.
 - D. Report to the Board on status of pending applications.
 - E. In the Matter of Frontier State Bank, Oklahoma City, Oklahoma (FDIC-07-288b)
- V. Consideration of, and possible action on, Application for Authority to Engage in the Banking Business by a company to be known as First Oklahoma Bank, Tulsa, Oklahoma, pursuant to Title 6 O.S. Section 301 *et seq.*
- VI. Proposed Executive Session:
 - A. The purpose of the proposed executive session shall be for discussion of the following items of business: (i) confidential communications between the Board and its attorney concerning the status of pending investigation and action involving First State Bank of Altus, Altus, Oklahoma, pursuant to Title 25 O.S. § 307(B)(4) of the Oklahoma Open Meeting Act, and (ii) confidential communications between the Board and its attorney concerning the status of pending investigation, claim, or action involving Glencoe State Bank, Glencoe, Oklahoma, pursuant to Title 25 O.S. § 307(B)(4) of the Oklahoma Open Meeting Act.
 - B. Vote of the Board for adjournment to executive session.

- C. Executive session.
- D. Vote of the Board to return from executive session to regular session.
- E. Discussion and possible action on items discussed in executive session.

VII. New Business (Reserved exclusively for items unknown at time of posting, or which could not have been reasonably foreseen prior to the time of posting agenda and requiring immediate action).

VIII. Adjournment.

DATE OF MEETING: June 17, 2009

NAME	NAME OF INSTITUTION/COMPANY
James Bennett	First Oklahoma Holdings, Inc.
Gary P. Brown	"
Thomas Bennett	"
Pete Dickinson	"
Kevin Hutchens	"
ROGER FREEMAN	"
Chris Brown	McAfee & Taft
Tom Bennett Jr.	First Okla. Holdings