

MINUTES OF THE SPECIAL MEETING  
OF THE STATE BANKING BOARD

DECEMBER 1, 2010

**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 30, 2010. 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  
Gordon Greer  
Bob Newcomb  
Bob Weaver

Also present: Dudley Gilbert, Assistant Deputy Commissioner; Sherbie Kiffin, Assistant Deputy Commissioner; Regina Rainey, Administrative Assistant; Rhonda Bruno, Director of Administration; Doyle Jones, Senior Examiner; Kurt Blair, Senior Examiner; Donna Shaw, Senior Examiner, Deloris Finley, Senior Examiner; Mike Kellum, Senior Examiner; Mike Faulkenberry, Senior Examiner; Shawn Burcham, Senior Examiner; Gwen Wright, Examiner; 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 meeting held October 20, 2010.

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

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

Chairman Thompson gave copies of the 2011 Banking Board Meeting Schedule to Board members. He asked if there are any suggested changes, please let him know.

Member Newcomb suggested the December meeting be moved up a week when the time comes.

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

A. Department Status Update

Chairman Thompson discussed the Department's Bank Building Annex chart provided. He said the Department didn't anticipate storage problems when moving into this building. Extra room is needed for documents and supplies that are required to be kept. The building would be located next to the trash bin in the back corner and would look like the main building. Also, the trash bin would be bricked in and the current wood structure would be removed. DCS will be working with the Department on these projects.

Member Newcomb asked if the Department will pay for these changes?

Chairman Thompson said yes.

Member Krieger asked how much under budget the Department was on the new building?

Ms. Bruno said approximately \$250,000.

Member Krieger asked how many square feet the new storage building would be?

Ms. Bruno said 300 square feet.

Chairman Thompson discussed the floor plan for possible new Tulsa location. The current location landlord is having tax issues. He said the FDIC moved to the Triad building approximately 6 months ago. He said if the Department moves to the Triad Building the new space will be less expensive per square foot, and have more space, the FDIC is in that building.

Member Newcomb asked where the Triad Building is located?

Member Greer said 61<sup>st</sup> and Memorial.

Member Newcomb asked how many Tulsa employees there are?

Ms. Rainey said nine.

Chairman Thompson said the contract will be between DSC and the landlord. A decision should be made soon.

Member Greer asked when the Tulsa office would move?

Chairman Thompson said approximately February. He said he also plans to hire two Tulsa examiner trainees and has hired two Oklahoma City examiner trainees.

B. Examination Report

Chairman Thompson said during the month of November five non-member banks, one credit union and one trust department were examined. Four bank exams, one credit union, one trust company, and one trust department were in process at the end of November.

Schools attended in November:

2 examiners/1 office person attended CSBS Technology Seminar in Chicago, Illinois.

C. Legislative and Rulemaking Update

Chairman Thompson said he has met with the OB A and Community Bankers Association regarding legislation. Many changes are occurring in government now and currently the Department does not plan to request a bill.

Chairman Thompson discussed Oklahoma's exemption from federal Regulation Z enforcement. He said that because of changes in federal law and examination procedures, the Department will be evaluating whether the exemption still makes sense for Oklahoma state-chartered banks.

**Fifth item** on the agenda:

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

A. Application for Merger of the following subsidiary banks of Olney Bancshares of Texas, Inc. with and into Union Bank, Oklahoma City, Oklahoma, pursuant to Title 6 O.S. § 1103.

1. First Coleman National Bank, Coleman, Texas
2. Graham National Bank, Graham, Texas
3. Citizens National Bank of Breckenridge, Breckenridge, Texas
4. First State Bank of Canadian, N.A., Canadian, Texas
5. First National Bank of Olney, Olney, Texas
6. Friona State Bank, N.A., Friona, Texas
7. Farmers National Bank of Seymour, Seymour, Texas
8. InterBank, Elk City, Oklahoma

B. Branch Applications of Union Bank, Oklahoma City, Oklahoma, pursuant to Title 6 O.S. § 501.2 and O.A.C. 85:10-9-2.

Branch Locations:

1. 307 West Main, Olney, Texas
2. 455 Elm Street, Graham, Texas
3. 1620 West Third, Elk City, Oklahoma
4. 1105 North Cleveland Avenue, Friona, Texas
5. 100 Commercial Avenue, Coleman, Texas
6. 115 Main Street, Canadian, Texas
7. 301 West Walker, Breckenridge, Texas
8. 100 North Washington, Seymour, Texas

Bruce Crum, Attorney; Mike Sterkel, President of Union Bank; and Pascal Hosch, President of InterBank (after the merger), were present to answer questions.

Mr. Sterkel said their objectives are to acquire more banks and combine them into one charter. The plan is to merge all eight banks (7 in Texas and 1 in Oklahoma) into Union Bank and change the name to InterBank. Olney Bancshares owns First Bank of Borger which will be combined with a national bank in Texas. The Borger charter will be sold to the Texas bank and the stock will be sold.

Bruce Crum then discussed the technical and legal aspects of the reorganization and answered questions from the Board.

Member Greer made the motion to approve the Application for Merger of subsidiary banks of Olney Bancshares of Texas, Inc. with and into Union Bank, Oklahoma City. Motion was seconded by Member Newcomb and approved as follows:

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

Member Newcomb made the motion to approve the Branch Applications. Motion was seconded by Member Krieger and approved as follows:

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

**Sixth 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, 2010, calculated on institution assets as of December 31, 2010, pursuant to Title 6 O.S. § 211 (A)(2).

Chairman Thompson discussed the Department's budget and explained how assessments had been lowered 20% since 1994. He discussed assessments on trust companies and explained that the Department will be evaluating that rate over the next year. He recommended no increase in assessments for either banks or trust companies at this time.

Member Conn made the motion to set the rate for trust companies to \$.18 cents per \$1,000 of company-owned assets, plus a rate of \$.10 cents per \$1,000 of assets under management, but this portion of the assessment be capped at \$25,000. Also, the rate for banks will be set to \$.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 approved as follows:

David Burrage – voted yes

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

**Seventh 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 changes to the positions of Assistant Deputy Commissioner which will include all the duties those individuals performs.

Member Newcomb made the motion to approve the changes to the Assistant Deputy Commissioner Positions. Motion was seconded by Member Krieger and approved as follows:

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

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

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

Motion was approved as follows:

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

Meeting was adjourned at 10:34 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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Brad Krieger

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Gordon Greer

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Bob Newcomb

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Bob Weaver