

MINUTES OF THE MEETING
OF THE STATE CREDIT UNION BOARD

June 5, 2001

First item in order of business: Acting Chairman Ward called the meeting of the State Credit Union Board to order at 10:00 a.m. pursuant to the agenda which was posted for public display prior to 10:00 a.m. on June 4, 2001. The meeting was held in the conference room of the Oklahoma State Banking Department, Oklahoma City, Oklahoma.

Second item: Roll call - the following members were present:

Kathy Ward, Acting Chairman

Richard Forshee
Floyd Atha
Les Rector

Also present for the Department: Dudley Gilbert, General Counsel; Lisa Jones, Secretary.

Third item: Approval of the Minutes of the special meeting held April 16, 2001.

Acting Chairman Ward: Asked for any changes or additions to the minutes from the Board.

Member Atha: Made a motion to accept the minutes as written.

Member Forshee: Seconded the motion. Minutes were approved unanimously as follows:

Member Forshee: Yes

Member Atha: Yes

Member Rector: Yes

Acting Chairman Ward: Yes

Fourth item: Commissioner's Report - Acting Chairman Ward:

Our exam report: two credit unions were examined in the month of May, and we have two that are in process. The Governor did sign our budget. Our rules went into effect May 11. Our statutes will be effective in November.

Fifth item: Request by Communication Credit Union, Oklahoma City, Oklahoma to amend its bylaws, Article X, Section 1, Board of Directors.

Acting Chairman Ward: Are there any questions from the Board? Can you explain the reason for the request to change your bylaws?

Jim: To amend our bylaws because we increased our board from 7 to 9.

Member Atha: Made a motion to approve the request as written.

Member Forshee: Seconded.

The motion passed as follows:

Member Forshee: Yes

Member Atha: Yes

Member Rector: Yes

Acting Chairman Ward: Yes

Sixth Item: Request by El Reno RIL Credit Union, El Reno, Oklahoma to amend its bylaws, Article IV, Section 1, Membership.

Acting Chairman Ward: I'll take this time to address the fee for changing your bylaws in regards to your declaration of field of membership.

Dudley Gilbert: The rules don't require a fee for retaining your existing field of membership. We are not waiving any fees, it is just that the rules do not require a fee if you retain your existing field of membership, but you simply describe it according to what the rules require.

Member Forshee: Made a motion to approve the request as written.

Member Rector: Seconded.

Member Atha: I have a question. On page two, "incorporated and unincorporated organizations composed for the most part of the same general group as prescribed above"... I am not sure I understand what that means?

Acting Chairman Ward: It's any of the subsidiaries or sister organizations of this group.

Dudley Gilbert: We have seen problems with a lot of the new changes in bylaws. This one was put on the agenda first because it actually turned out to be the most accurate of the bylaw amendments. We have had a lot of bylaw amendments come in without following the sample language that we provided along with the community credit union application. Some of the amendments that we are receiving include part of the sample language but also some of the existing language. It is causing some confusion, because it is like trying to mix and match our suggested language with some of the existing language. Problems can arise if you don't follow the suggested language specifically. A credit union may have to change its bylaws because it didn't follow our suggested rule. The problem with that is now we charge a fee for amending your bylaws. If you can follow our suggested amendment as closely as possible, deleting any previous references to the streamline procedures, it might help you out in the future because our suggested language is intended to be all encompassing and broad so that if we change things from a procedural stand point later, then your bylaws won't have

to be changed. As a result, you won't have to pay the fee for the change. El Reno actually follows the suggested language to the letter. They shouldn't have any further changes beside adding SEG's.

Phil Hart: It was my understanding that if it was a rule change or something the State Credit Union Board of Directors changed, that there wasn't a fee anyway?

Acting Chairman Ward: This is a procedure. The SEP is actually a procedure.

Dudley Gilbert: Our language says that membership shall be based on multiple common bonds shared by members of select groups as credit unions may expand their field of membership from time to time according to the rules, laws, practices, and procedures. If any of our rules, procedures, or practices change then El Reno already has that in their bylaws. Their bylaws are broad enough to encompass everything that the Board might do. Some of the amendments that we see have this language regarding practices and procedures but also retain the information regarding the SEP process. The SEP process may be changed or evolve in the future, and so they might have limited themselves to a specific SEP process. The Board may decide to expand that opportunity, but the credit union will have limited itself in its own bylaws. If the credit union will follow the suggested language it might not be as restricted in the future by its own bylaws.

Acting Chairman Ward: If there is a representative from any of the credit unions that are on the agenda here today, with the authority to go ahead and strike that from your proposed bylaws then...

Dudley Gilbert: It would probably require your own board's approval. This Board could, with respect to some of the applications that we have here today, approve an application subject to a change being made this way or that way. That way you don't have to come back before this Board. I just wanted to point that out.

The motion passed as follows:

Member Forshee: Yes

Member Atha: Yes

Member Rector: Yes

Acting Chairman Ward: Yes

Seventh Item: Request by FAA Employees Credit Union, Oklahoma City, Oklahoma to amend its bylaws, Article IV, Section 1, A,B,C,D,E, and F, Membership.

Member Atha: Made a motion to approve the request as written.

Member Forshee: Seconded.

The motion passed as follows:

Member Forshee: Yes
Member Atha: Yes
Member Rector: Yes
Acting Chairman Ward: Yes

Eighth Item: Request by Credit Union One of Oklahoma, Oklahoma City, Oklahoma to amend its bylaws, Article IV, Section 1, Membership.

Member Rector: Made a motion to approve the request as written.

Member Forshee: Seconded.

The motion passed as follows:

Member Forshee: Yes
Member Atha: Yes
Member Rector: Yes
Acting Chairman Ward: Yes

Ninth Item: Request by Oklahoma Educators Credit Union, Oklahoma City, Oklahoma to amend its bylaws, Article IV, Section 1 and 1a, Membership.

Member Rector: Made a motion to approve the request as written.

Member Forshee: Seconded.

The motion passed as follows:

Member Forshee: Yes
Member Atha: Abstained
Member Rector: Yes
Acting Chairman Ward: Yes

Acting Chairman Ward: I'd like to take the time to welcome Marvin Cottom back to our meeting and tell him that we're glad he is doing better.

Tenth Item: Request by WEOKIE Credit Union, Oklahoma City, Oklahoma to add the following SEG to its field of membership:

Employees of Milam Heating, Air Conditioning & Electric, Chickasha, Oklahoma

Member Forshee: Made a motion to approve the request as written.

Member Atha: Seconded.

The motion passed as follows:

Member Forshee: Yes
Member Atha: Yes
Member Rector: Yes
Acting Chairman Ward: Yes

Eleventh Item: Request by Tulsa Federal Employees Credit Union, Tulsa, Oklahoma to change its field of membership to a community field of membership.

Member Forshee: Does the staff have any comments for the board regarding the application?

Dudley Gilbert: What we look at is whether the credit union completed the application correctly, and what Kathy would probably pay more attention to is their performance. We would look at whether they completed the questions. If they provided a two-word answer, then we can say they completed the question, but when it comes before the Board, the Board can determine that's not satisfactory assurance that they have thought this through. But our review is limited to safety and soundness.

Member Forshee: Made a motion to approve the request as amended, striking the word "following" from the first line of the bylaws contingent on Tulsa Federal's Board approving the change to amend it to the intent of that board of directors.

Member Rector: Seconded.

The motion passed as follows:

Member Forshee: Yes
Member Atha: Yes
Member Rector: Yes
Acting Chairman Ward: Yes

Twelfth Item: Request by WEOKIE Credit Union, Oklahoma City, Oklahoma to change its field of membership to a community field of membership.

Member Forshee: Made a motion to approve the request as written:

Member Atha: Seconded.

The motion passed as follows:

Member Forshee: Yes
Member Atha: Yes
Member Rector: Yes
Acting Chairman Ward: Yes

Thirteenth Item: Acting Chairman Ward asked if there was any new business to come before the board?

Fourteenth Item: Adjournment.

Member Atha: made a motion to adjourn.

Member Forshee: Seconded.

Motion passed as follows:

Member Forshee: Yes

Member Atha: Yes

Member Rector: Yes

Acting Chairman Ward: Yes

Adjournment was at 10:34 am.

Kathy Ward, Acting Chairman

Richard Forshee

Floyd Atha

Les Rector