

MINUTES OF THE MEETING
OF THE STATE CREDIT UNION BOARD

March 20, 2001

First item in order of business: Commissioner Thompson called the regularly scheduled bi-monthly 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 March 19, 2000. 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:

Mick Thompson, Chairman

Richard Forshee
Les Rector

Members Atha and Higgins were absent.

Also present for the Department: Kathy Ward, Credit Union Administrator; Dudley Gilbert, General Counsel; Lisa Jones, Secretary.

Third item: Approval of the Minutes of the regular scheduled meeting held January 16, 2001.

Commissioner Thompson: Asked for any changes or additions to the minutes from the Board.

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

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

Member Forshee: Yes

Member Rector: Yes

Commissioner Thompson: Yes

Fourth item: Commissioner's Report - Commissioner Thompson: has a meeting tomorrow afternoon with the Governor to discuss Department budget. I think they will pass the base appropriation bill today. It has the base budget that we received last year, plus the additional money for the raises that were mandated, but weren't funded.

I am going to talk to the Governor about the Department not getting caught up in the budget cuts as all the other agencies. My discussion will be that if he wants us to continue to bring in new state charters into the Department, then we can't cut our budget. The Department

converted ten national banks to state charters last year; we have four that have filed to convert from a national charter to a state charter already this year; there is one on the agenda today to convert from a federal credit union to a state credit union. With the new rules, we will probably have some more credit unions looking at converting. The Department is bringing new assets into the state; for example last year with ten new banks, we brought in a little over two billion dollars in assets. If we bring in those kinds of assets, we are going to have to add staff. We have four new applications. Those four have assets over half a billion dollars. So we can either maintain what we have and not bring new credit unions and banks in, or increase the budget.

The examination report for the month of February: We finished three credit union examinations, with two in process. One of our credit union examiners attended the NCUA/NASCUS conference in Orlando, Florida in March. Both examiners were planning on going, but one couldn't go due to a death in her family.

Legislative report is that the credit union bill passed 97-1. I don't know what the league has done to that one guy, but uh...

The banking bill was also passed 94-1. The Governor did approve the rules on February 28, 2001. They gave us a chance for some input. Hopefully, the legislature will do the same thing. They have thirty days now to review the rules.

Bob Bianchini: To disapprove the rules, doesn't some kind of legislation have to be passed?

Commissioner Thompson: No. There is a committee that reviews all of the rules, and they can just disapprove them.

Bob Bianchini: Do they have to go through an approval process, or is it just a time frame?

Commissioner Thompson: They have thirty days to disapprove.

Dudley Gilbert: Right, and the thirty days will expire on March 29.

Fifth item: Request by Oil Capital Federal Credit Union, Tulsa, Oklahoma for approval of its preliminary application to convert to a state credit union.

Commissioner Thompson: We have Don Stivers here with us today with some of his staff and Board of Directors. If you would tell the Board about your plans and why you have made this request.

Don Stivers: I would like to introduce my Board members and some of my staff. We are making the request because we are a small credit union and we lost our primary sponsor which was Texaco, back in 1994. We are trying to find ways to out pace the runoff of Texaco employees. We have been adding SEG's in the last several years. We have tried looking for ways to grow the credit union. When the state passed the community charter rules, that opened up a window of opportunity for us to grow our credit union successfully. We don't

believe that we can be the only financial institution in Tulsa, but we do believe that we can be a very competitive one. The state chartered rules, that have been changed, are far more favorable to us than the federal chartered rules to becoming a community charter. We believe that community is the best way for us to grow and serve our members and potential members in Tulsa County.

Commissioner Thompson: I was very much impressed with your resume and the variance and background of your board.

Don Stivers: We have a very progressive board.

Commissioner Thompson: It is quite impressive. This has been a good experience for the Department. I don't believe in the nine years I have been here that we have ever had a conversion to a state charter. We have had some go the other way. We want to tell you and your staff that we appreciate your cooperation. Our examiner who did the conversion exam was Terry Slagle, if the Board has any questions for her?

Member Forshee: We are being asked to approve a preliminary application, Dudley, can you explain this process?

Dudley Gilbert: The first step is that the board approves the preliminary application. We are approving them today to go forward with any federal law requirements that they have to meet. We suggested that they might want to begin meeting the Federal requirements before today, rather than wait on the Board's approval. If the Board approves the preliminary application, it then allows the credit union go and comply with whatever federal laws it may have to. Then after they comply with the federal laws, they file with the Commissioner their certificate of incorporation and their bylaws. Then the Commissioner will approve those. The rule actually says that the Board needs to approve the credit union's certificate of incorporation, and upon the board's approval of that, then it will become a state credit union. In order to avoid a delay of two months, I think that the board can approve today the preliminary application and also the certificate of incorporation, contingent upon it being filed in the final format with the Commissioner. I don't see any reason that we have to wait for the credit union to come back in two months.

Member Forshee: So are we approving this as a community charter?

Dudley Gilbert: Yes. In the conversion application prior to our rule change, it asks that the credit union designate its field of membership. They designated it as Tulsa county.

Commissioner Thompson: The reason that they can do this is because it is such a limited and defined area.

Member Rector: They are asking for Tulsa county. Is that smaller than Tulsa metropolitan?

Dudley Gilbert: Tulsa OSMA is Osage, Creek, Rogers, Wagoner, and Tulsa counties.

Member Rector: Have you met all of the Federal requirements?

Don Stivers: We have received all of the NCUA approvals. We are now waiting on approval from this Board. We have already met all of the NCUA requirements.

Member Forshee: I noticed that there are five groups here. Are these existing SEG's?

Don Stivers: They are.

Member Forshee: They aren't necessarily located in Tulsa County?

Don Stivers: Four of them are outside of Tulsa County, and the fifth one there is a credit union that was Texaco called NTD, North Texas Disbursement, Credit Union that was merged into our credit union.

Member Rector: Section 5:2 membership of members who are no longer in the field of membership on the day the bylaws effective or thereafter terminated immediately. What are we saying here.

Don Stivers: If you are not within the field of membership, and you're not within Tulsa county, and your not a member, then you are no longer eligible. We feel like if they work for Texaco, and they haven't already joined, they probably aren't going to anyway.

Commissioner Thompson: Any more questions? Kathy any comments on the application?

Kathy Ward: No. I found everything in order. Don was very cooperative in everything that we needed, and I think his credit union would be a good addition.

Member Forshee: Made a motion to approve the preliminary application to convert to a state charter.

Member Rector: Seconded.

Member Forshee: Yes

Member Rector: Yes

Commissioner Thompson: Yes

Member Rector: Made a motion to approve the certificate of incorporation of Oil Capital Credit Union.

Member Forshee: Seconded.

The motions passed as follows:

Member Forshee: Yes

Member Rector: Yes

Commissioner Thompson: Yes

Sixth item: Commissioner Thompson asked if there was any new business to come before the board?

Commissioner Thompson: We appreciate Oil Capital's board coming over for this meeting. It shows the importance that you place on the credit union. We really appreciate Don being patient with us throughout this process.

One last thing that I have to report to you is that Troy Higgins is not doing very well. They have notified his family. We need to remember him and his family in our prayers.

Eighth Item: Adjournment.

Member Forshee: made a motion to adjourn.

Member Rector: Seconded.

Motion passed as follows:

Member Forshee: Yes

Member Rector: Yes

Commissioner Thompson: Yes

Adjournment was at 10:25 am.

Mick Thompson, Chairman

Richard Forshee

Les Rector