

**MINUTES OF THE SPECIAL MEETING
OF THE STATE CREDIT UNION BOARD**

October 22, 2004

First item in order of business: Commissioner Thompson 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 October 21, 2004. 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:

Richard Forshee
Steve Rasmussen
Floyd Atha
Mick Thompson, Chairman

Les Rector was absent.

The Chairman declared a quorum present.

Also present from the Department: Kandace Natale, Credit Union Examiner; Debbie Moore, Secretary; and Dudley Gilbert, Legal Counsel.

Third item: Approval of the Minutes of the meeting held September 21, 2004.

Chairman Thompson: Asked for any revisions or additions to the minutes from the Board.

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

Member Rasmussen: Seconded the motion.

Minutes were approved as follows:

Richard Forshee - voted yes
Steve Rasmussen - voted yes
Floyd Atha - voted yes
Chairman Thompson - voted yes

Fourth item: Commissioner's Reports

Department Status

Assessments will be discussed and set at the November meeting. We will need to discuss any possible increase in the assessments due in part to meet the state-mandated employee salary increase.

There have been calls regarding how a credit union can get on a merger list. The Department will send out a memo to credit unions to determine which ones would be interested in being listed as a possible merger partner. When the situation arises, a credit union needing a merger partner will be given the list.

Examination Report

Bank examinations commencing during September 2004 include one federal reserve bank and four non-member banks. Also commenced were two cemetery examinations, two savings and loans, and one credit union.

Examinations still in process as of September 30, 2004 include three banks, one cemetery, one savings and loan and two credit unions.

Legislative Report

We will be scheduling meetings soon with the Credit Union League to see if they have suggestions to be brought before the Legislature. Board members were asked to contact the Banking Department if they have any requests to go in the Department bill.

Fifth Item: Consideration of the request for Approval of Merger by Oil Capital Community Credit Union, Tulsa, Oklahoma with and into Oklahoma Central Credit Union, Tulsa, Oklahoma, pursuant to 6 O.S. § 2022.

Dana Warne, Vice President, represented Oil Capital Community Credit Union. Representing Oklahoma Central Credit Union were Gina Wilson, President; Carolyn Toalson, Chief Financial Officer; and Rick Loyd, Vice President.

Dudley Gilbert, legal counsel, noted that all paperwork was filed timely. He said that he had also reviewed the minutes of Oil Capital Credit Union pertaining to the member meeting. The seven day notice was adhered to in notifying members. They appeared to use due diligence in seeking the most compatible credit union with respect to benefits for members of Oil Capital.

Chairman Thompson noted that all notices were properly given and all bylaws of Oil Capital Community Credit Union were adhered to.

Member Forshee: Asked how examination staff felt about the merger. Dudley Gilbert said that credit union examiner Terry Slagle was in favor of the merger and believed that it was in the best interest of the credit union.

Member Rasmussen: Asked how a credit union with a community field of membership could merge into a multiple common bond credit union.

Dudley Gilbert: Explained that since Oil Capital was merging into Oklahoma Central Credit Union, they will not continue the community feature. All current members of Oil Capital will be eligible for membership in Oklahoma Central, along with all select groups serviced by Oil Capital. However, Oklahoma Central's bylaws do not permit it to serve a community field.

Chairman Thompson: Said six of seven employees will be retained.

Member Rasmussen: Asked if our laws covered the merger, so that NCUA would not come back with other specific requests regarding the action.

Dudley Gilbert: Replied that Oil Capital's bylaws designated the quorum of members needed at the special meeting and that the NCUA's requirements should not affect those bylaw provisions.

Chairman Thompson: Explained that among the reasons that Oil Capital chose to merge with Oklahoma Central over some other credit unions were advantages of multiple branch locations, risk based pricing and loan strategy, senior clubs, and also a bilingual staff to serve the hispanic membership.

Member Atha: Asked how the membership was notified.

Dana Warne: Replied they were notified by letter.

There were no other questions regarding the merger.

Member Atha: Moved to approve the merger of Oil Capital Community Credit Union into Oklahoma Central Credit Union.

Member Forshee: Seconded the motion.

Richard Forshee - voted yes
Steve Rasmussen - voted yes
Floyd Atha - voted yes
Chairman Thompson - voted yes

Motion passed.

Sixth item: Adjournment

Member Rasmussen: Moved to adjourn.

Member Atha: Seconded the motion.

Richard Forshee - voted yes
Steve Rasmussen - voted yes
Floyd Atha - voted yes
Chairman Thompson - voted yes

Meeting was adjourned at 10:20 a.m.

Floyd Atha

Richard Forshee

Steve Rasmussen

Mick Thompson, Chairman