

MINUTES OF THE MEETING
OF THE STATE CREDIT UNION BOARD

September 21, 2004

First item in order of business: The Credit Union Board meeting was called to order at 10:00 a.m. pursuant to the agenda which was posted for public display prior to 10:00 a.m. on September 20, 2004. O. Dudley Gilbert, General Counsel, was designated by the Banking Commissioner to serve as chairman of the meeting in his absence. 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
Les Rector
Dudley Gilbert

Steve Rasmussen and Floyd Atha were absent.

The Chairman declared a quorum present.

Also present from the Department: Kandace Natale, Credit Union Examiner; Terry Slagle, Credit Union Examiner; and Debbie Moore, Secretary.

Third item: Approval of the Minutes of the meeting held May 18, 2004.

Chairman Gilbert: Asked for any revisions 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 as follows:

Richard Forshee - voted yes
Les Rector - voted yes
Dudley Gilbert - voted yes

Fourth item: Department Status

Examination Report

Bank examinations commencing during August 2004 include one federal reserve bank and six non-member banks. Also commenced was one cemetery examination, one trust department, and three credit unions.

Examinations still in process as of August 31, 2004 include four banks, two cemeteries, one trust department and two credit unions.

Schools attended during the past two months have included:

Two senior examiners attended the first year of the Cannon Trust School in Boston.

General Counsel Gilbert attended the CSBS Legal Seminar in Chicago.

Four Senior Examiners, a Supervisory Examiner, and an Assistant Deputy Commissioner attended a one-day Management Seminar in Oklahoma City.

The Department has begun intensive training for examiners in the Bank Secrecy Act. The training has been a focus for federal regulators as well. This is necessary so that other agencies would not have to be brought in to enforce the Bank Secrecy Act for the banks.

The Legislative Report

During the next three months if any credit unions have revisions or suggestions to the Board's rules or the Credit Union Act, please bring them to us.

Congratulations to Bob Bianchini, Credit Union League President, on his feature article in the monthly Credit Union magazine.

Fifth Item: Consideration of the request by US Employees O.C. Federal Credit Union to approve its Preliminary application to convert from a federal credit union to a state-chartered credit union, pursuant to 6 O.S. § 2021 and O.A.C. 180:10-3-3.

Within their application is the designation of community field of membership to serve the Oklahoma City metropolitan area. Mike Walton, president, was in attendance representing US Employees O.C. Federal Credit Union. He introduced Don Sheets, President of the Board, and Bob Garrison, board member.

Mr. Walton mentioned that changes the credit union has implemented include: organizational changes, risk based pricing, realigned fee structure and implementation of a courtesy overdraft protection program.

Richard Forshee: Asked if there was to be a name change.

Mike Walton: Replied the new name would be US Employees Credit Union.

Dudley Gilbert briefly explained the procedure of conversion from federal charter to state charter. After meeting the state requirements the credit union would then be required to meet federal guidelines for the conversion. All qualifications could possibly be completed by late November or early December.

Dudley Gilbert questioned the Strategic Plan of the credit union.

Mike Walton said the focus of their Strategic Plan would change if the conversion is approved.

Dudley Gilbert brought up the issue of the credit union's earnings.

Terry Slagle, Credit Union Examiner, discussed some of the changes made by the credit union which had already increased their earnings. An inactivity fee is to begin in December, as well as implementation of late fees.

Mike Walton said the credit union had implemented an overdraft protection program in July, 2004 and had seen additional income from that.

Les Rector questioned Terry Slagle on the section of the examination report dealing with deposits over \$100,000.

Terry Slagle explained it had to do with investments.

Les Rector complimented the credit union on outsourcing ALM.

Mike Walton: They will be hiring a new vice-president of lending.

Member Rector: Moved to approve the motion.

Member Forshee: Seconded the motion.

Richard Forshee - voted yes

Les Rector - voted yes

Dudley Gilbert - voted yes

Motion passed.

Sixth item: Request by Williams Employees Credit Union to change its name to WilServ Credit Union.

Dudley Gilbert said the application is in order. The request is simply one to change their name and adjust the bylaws accordingly. The name is available according to the Secretary of State.

Member Rector: Moved to approve the motion.

Chairman Gilbert: Seconded the motion.

Richard Forshee - abstained
Les Rector - voted yes
Dudley Gilbert - voted yes

Motion passed.

Seventh item: Request by Tulsa Teachers Credit Union to add Asbury United Methodist Church of Tulsa as a select associational group pursuant to 6 O.S. § 2007 and O.A.C. 180:10-3-6.

Chairman Gilbert noted that the church had not yet sent in one piece of documentation we need. However, it is such a large church that we do not question their legitimacy, so the application can be considered on condition that we receive their paperwork.

Member Forshee: Moved to approve on condition that the documentation is received.

Chairman Gilbert: Seconded the motion.

Richard Forshee - voted yes
Les Rector - abstained
Dudley Gilbert - voted yes

Motion passed.

Eighth Item: New Business

Les Rector expressed appreciation to Examiner Terry Slagle for her cooperation during the recent examination at Tulsa Teachers Credit Union.

Chairman Gilbert mentioned that surveys are regularly sent to banks following our examinations. Recently the Department learned that the FDIC had also been sending surveys and the comments they received were very favorable to the examiners of the State Banking Department.

Ninth Item: Adjournment

Chairman Gilbert moved to adjourn.

Member Rector seconded the motion.

Richard Forshee - voted yes
Les Rector - voted yes
Dudley Gilbert - voted yes

The meeting was adjourned at 10:30 a.m.

Richard Forshee

Les Rector

O. Dudley Gilbert