MINUTES OF THE SPECIAL MEETING

OF THE STATE CREDIT UNION BOARD

May 21, 2013

First item in order of business: The Credit Union Board meeting was called to order at 10:00 a.m. pursuant to the agenda that was posted for public display prior to 10:00 a.m. on May 20, 2013. Notice of the meeting was also made available to the Secretary of State, and to those interested parties who have requested individual notice, pursuant to title 25 O.S. § 311 (the Open Meeting Act). The meeting was held in the conference room of the Oklahoma State Banking Department, 2900 N. Lincoln Boulevard, Oklahoma City, Oklahoma.

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

Jason Boesch
Richard Ficken
Mark Kelly
Gina Wilson
Dudley Gilbert, Acting Chairman

The Acting Chairman declared a quorum present.

Also present from the Department: Kandace Huston, Examiner; Debbie Moore, Executive Secretary.

Gary Jones and Dana Kroutil were present from the Credit Union Association of Oklahoma. Steve McNabb and Carolyn Toalson were present from Oklahoma Central Credit Union. Russ Conroy was present from Mercy Hospital, Springfield, Missouri and Tammy Rowden, President, was present from Mercy Credit Union. Carol Rolke represented Oklahoma Employees Credit Union. Carol Webb attended on behalf of FOP Credit Union.

Third item: Approval of the Minutes of the meeting held December 13, 2012.

Dudley Gilbert: Asked for any changes or additions to the minutes from the Board.

Mark Kelly: Made a motion to accept the minutes as written.

Jason Boesch: Seconded the motion.

Minutes were approved as follows:

Jason Boesch: voted yes
Richard Ficken: voted yes
Mark Kelly: voted yes
Gina Wilson: voted yes
Dudley Gilbert: voted yes

Fourth item: Commissioner's Reports:

Department Status Report:

Dudley Gilbert: Discussed issues related to the tornado that devastated the Moore, Oklahoma, area. Some bank and credit union facilities were damaged and several others are without power. The Commissioner is working with the State Insurance Department and the Federal Reserve to provide mobile ATMs at the tornado site.

The Department is beginning the process of repairing and updating the heat and air system in the building. Also, a gate will be constructed across the entrance to the parking lot so that the property can be closed to public access on weekends.

Examination Report:

There were two credit union examinations completed since the last Board Meeting and there is one credit union examination in process as of May 21, 2013. Since the last Credit Union Board meeting, one examiner attended the CBAO BSA/AML Seminar in January and one examiner attended the CBAO BSA/AML Seminar in February. Also, one examiner attended the Nascus/NCUA Meeting in March. Two examiners attended the Southwest BSA and Financial Crimes Forum in April.

The Legislative Report:

House Bill 1599 passed the House and the Senate and was signed by the Governor on April 18, 2013.

Gary Jones, President and CEO of the Credit Union Association of Oklahoma said that bill tracking through CUAO is complete for the current legislative session.

Jason Boesch: Discussed the deduction for interest income that may be eliminated.

Fifth Item: Consideration of the request by Oklahoma Employees Credit Union, Oklahoma City to amend its bylaws pursuant to Title 6 Okla. Stat. § 2006(7) and O.A.C. 180:10-1-7.

Carol Rolke: Described the various changes on behalf of Oklahoma Employees Credit Union and was available for questions.

Dudley Gilbert: Stated that he had reviewed the application and found everything in order.

Gina Wilson: Made a motion to approve the request by Oklahoma Employees Credit Union to amend its bylaws pursuant to Title 6 Okla. Stat. § 2006(7) and O.A.C. 180:10-1-7

Jason Boesch: Seconded the motion.

Jason Boesch: voted yes
Richard Ficken: voted yes
Mark Kelly: abstained
Gina Wilson: voted yes
Dudley Gilbert: voted yes

Motion passed.

Sixth Item: Consideration of the request by Fraternal Order of Police Credit Union, Tulsa, Oklahoma, to amend its bylaws pursuant to Title 6 Okla. Stat. § 2006(7) and O.A.C. 180:10-1-7.

Carol Webb, President of FOP Credit Union, described the changes which primarily consisted of dissolving the credit committee in favor of a credit manager, and changes regarding the annual meeting.

Dudley Gilbert: Stated that he had reviewed the application and found it to be in order.

Jason Boesch: Made a motion to approve the request by Fraternal Order of Police Credit Union, Tulsa, Oklahoma, to amend its bylaws pursuant to Title 6 Okla. Stat. § 2006(7) and O.A.C. 180:10-1-7.

Gina Wilson: Seconded the motion.

Jason Boesch: voted yes
Richard Ficken: voted yes
Mark Kelly: voted yes
Gina Wilson: voted yes
Dudley Gilbert: voted yes

Motion passed.

Seventh Item: Consideration of the request by Oklahoma Central Credit Union, Tulsa, Oklahoma, to add WPX Energy, Inc. to the credit union's field of membership pursuant to Title 6 Okla. Stat. § 2007 and O.A.C. 180:10-3-6.

Carolyn Toalson: Described the application on behalf of Oklahoma Central Credit Union.

Dudley Gilbert: Stated that he had reviewed the application and found it to be in order.

Mark Kelly: Made a motion to approve the request by Oklahoma Central Credit Union, Tulsa, Oklahoma, to add WPX Energy, Inc. to the credit union's field of membership.

Jason Boesch: Seconded the motion.

Jason Boesch: voted yes
Richard Ficken: abstained
Mark Kelly: voted yes
Gina Wilson: abstained
Dudley Gilbert: voted yes

Motion passed.

Eighth Item: Consideration of the request by Mercy Credit Union, Springfield, Missouri, to establish a branch location at 4200 W. Memorial Road, Oklahoma City, Oklahoma, pursuant to Title 6 Okla. Stat.§ 2007 and O.A.C. 180:10-3-6.

Dudley Gilbert distributed to the board members copies of additional correspondence he had received from the Missouri Division of Credit Unions stating that it had no objections to the proposed branch operation of Mercy Credit Union.

He then reviewed Statute 2004.1 of the Oklahoma Credit Union Act regarding out of state credit unions conducting business in Oklahoma. He read the specific provisions of subsection A of section 2004.1. He stated that the Department has found that Mercy Credit Union (1) is financially solvent, (2) has share and deposit account insurance with the National Credit Union Administration to the extent provided by federal law, and (3) is examined and supervised by a regulatory agency in Missouri. He stated that in addition to those items, the State Credit Union Board should also consider whether Mercy Credit Union needs to conduct business in Oklahoma to adequately serve its members in this state; and whether Mercy Credit Union's field of membership will materially and substantially overlap the field of membership of an existing Oklahoma credit union. Mercy Credit Union must meet all the criteria in order to be approved by the Board.

Tammy Rowden, President of Mercy Credit Union, presented an explanation of the application to the Board. Russ Conroy, Mercy Board Chairman, also spoke to the Credit Union Board.

Mercy Credit Union, headquartered in St. Louis, Missouri, represents only Mercy health system employees and their families. It is a single common bond and not a community field of membership. Ms. Rowden stated that the Oklahoma City Mercy Health System employees are already eligible for membership.

Mark Kelly – Asked Kandace Huston whether she had any comments regarding the application.

Examiner Kandace Huston – Replied that she had no concerns.

Dudley Gilbert: Asked Tammy Rowden about the findings in the credit union's last examination as of June 30, 2012. Ms. Rowden described the credit union's progress since that exam.

Jason Boesch: Asked if they are scheduled to be examined this year by June 30.

Tammy Rowden: Replied that they have not yet received a notice for an examination.

Dudley Gilbert: Asked about the space being leased for the credit union. He noted that the area was formerly occupied by Focus Federal Credit Union.

Tammy Rowden: Replied that space in Mercy Hospital is being renovated for the credit union to move into.

Dudley Gilbert: Asked if an agreement is in place with Mercy Hospital.

Tammy Rowland: Replied that they will have a lease agreement for the Oklahoma City facility.

Mark Kelly: Asked if the staff of the branch will be employees of the credit union or the hospital.

Tammy Rowland: Said they are contract employees.

Dudley Gilbert: Asked what the current asset size is.

Tammy Rowland: Replied that it is between 45 and 46 million.

Gina Wilson: Asked if they have a contingency plan for staffing while they are hiring the three new employees they have mentioned.

Tammy Rowland: Replied that they want to have all employees in place before the opening date for the credit union. The opening date is not definite and can be held up until the staff is fully trained.

Dudley Gilbert then read the provisions of subsection B of section 2004.1 and stated that, if approved, Mercy Credit Union must charge interest in compliance with the laws of Oklahoma when making loans in this state, it must comply with the consumer protection statutes and rules applicable to Oklahoma credit unions, and the credit union's most recent report of examination by the Missouri Division of Credit Unions must be furnished to the Oklahoma State Banking Department.

Ms. Rowden agreed to comply with those provisions of the statute.

Dudley Gilbert then reviewed the provisions of subsection C of section 2004.1 that gives the State Credit Union Board the right to revoke its approval of the branch. He said the revocation of approval can be considered if Mercy Credit Union no longer meets the requirements of subsection A of section 2004.1, the credit union has violated Oklahoma law or rules issued by the State Credit Union Board or the Bank Commissioner, the credit union has engaged in a pattern of unsafe or unsound credit union practices, or continued operation by the credit union is likely to have a substantially adverse impact on the financial, economic or other interests of residents of this state.

Mark Kelly: Made a motion to approve the request by Mercy Credit Union, Springfield, Missouri, to establish a branch location at 4200 W. Memorial Road, Oklahoma.

Gina Wilson: Seconded the motion.

Jason Boesch: voted yes
Richard Ficken: voted yes
Mark Kelly: voted yes
Gina Wilson: voted yes
Dudley Gilbert: voted yes

Motion passed.

Ninth Item: Adjournment.

Gina Wilson: Made a motion to adjourn.

Richard Ficken: Seconded the motion.

Jason Boesch: voted yes
Richard Ficken: voted yes
Mark Kelly: voted yes
Gina Wilson: voted yes
Dudley Gilbert: voted yes

Motion passed.

The meeting was adjourned at 10:40 a.m.

Jason Boesch	Gina Wilson
Richard Ficken	Dudley Gilbert
Mark Kelly	