

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

October 30, 2012

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 October 29, 2012. Notice of the meeting was also made available to the Secretary of State, and to those interested parties that 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
Mick Thompson, Chairman

The Chairman declared a quorum present.

Also present from the Department: Dudley Gilbert, Deputy Commissioner; Debbie Moore, Executive Secretary; Regina Rainey, Chief of Staff; and Rhonda Bruno, Director of Administration.

Gary Jones was present from the Credit Union Association of Oklahoma. Also present were Carolyn Toalson from Oklahoma Central Credit Union and Tim Lyons from TTCU The Credit Union.

Third item: Approval of the Minutes of the meeting held August 29, 2012.

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

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

Gina Wilson: Seconded the motion.

Minutes were approved as follows:

Jason Boesch: voted yes
Richard Ficken: voted yes
Mark Kelly: voted yes
Gina Wilson: voted yes
Mick Thompson: voted yes

Fourth item: Commissioner's Reports:

Department Status Report:

Commissioner Thompson: reviewed and discussed the Department Budget and the Consolidation Report. The Banking Department Annual Report to the Governor is on the Banking Department's website.

Examination Report:

There were three credit union examinations completed since the last Board Meeting and there is one credit union examination in process as of October 30, 2012. Since the last Credit Union Board meeting, two examiners attended the three-day NASCUS 2012 State System Summit and a one-day BSA/AML Seminar. Both were also participants on a regulatory panel for Credit Union Association of Oklahoma.

Commissioner Thompson: discussed the relationship between federal and state examiners when processing credit union examinations. Member Wilson stated that there seemed to be better cooperation by the federal examiners at her credit union's most recent exam.

The Legislative Report:

Commissioner Thompson: will be meeting with Gary Jones, President of the Credit Union Association of Oklahoma. He asked credit union officials who were present for discussion regarding any issues that should be brought before the State Legislature during the upcoming session.

Fifth Item: Consideration of the request by TTCU The Credit Union, Tulsa, Oklahoma, to add John Zink Company, LLC to the credit union's field of membership pursuant to Title 6 Okla. Stat. § 2007 and O.A.C. 180:10-3-6.

Tim Lyons: Representing TTCU The Credit Union, discussed item #9 in the application and mentioned that the application was not accurate. They answered "no" on the application regarding whether John Zink Company was already a select group of another credit union. He recently learned that John Zink Company, LLC is also a member of Oklahoma Central Credit Union. He apologized for the error. The John Zink Company never mentioned the other credit union, but the question should have been answered "yes."

Gina Wilson: Asked if the listings of select groups are filed with the Department and available to view by every credit Union.

Dudley Gilbert: Answered that the rule provides the list is subject to review by other credit unions but not available to the public. He said he would review the rule to be sure.

Dudley Gilbert: Discussed the field of membership law and that it does not strictly prohibit overlaps but that it is up to the Board's review as to whether the overlap would jeopardize the safety and soundness of one of the credit unions.

Commissioner Thompson: Asked Member Wilson how long John Zink Company, LLC has been a member of Oklahoma Central Credit Union.

Gina Wilson: Answered that the company has been a select group since the 1980's.

Richard Ficken: Asked what percentage would John Zink Company, LLC make up of Oklahoma Central Credit Union's membership.

Carolyn Toalson: Replied that John Zink Company, LLC has two million in deposits and six hundred thousand in loans. Approximately 137 members in Oklahoma Central. Since total Oklahoma Central deposits are \$400 million, the percentage comprised by John Zink Company, LLC is rather small.

Mark Kelly: Asked Tim Lyon if the company had requested membership with TTCU or if TTCU recruited the company.

Tim Lyon: Replied that the company had requested services from TTCU.

Commissioner Thompson: Asked why the John Zink Company Director of Human Resources, Debbie Cowan, did not know the company is already served by another credit union.

Tim Lyon: Replied that he understood Ms. Cowan is new to the John Zink Company in the human resources area.

Mark Kelly: Asked if it would be proper to request that the company come to a meeting?

Dudley Gilbert: Replied that the board could request the company's attendance and had several options with respect to this application. The Board can approve it, deny it, or table it and request further information.

Commissioner Thompson: Asked Mr. Lyon if he had any other comments.

Tim Lyon: Replied that he did not.

Mark Kelly: Asked if it was acceptable for the Board to table the request and get back with the company to obtain clarification since the letter was contrary to the request. He requested that a representative of the John Zink Company, LLC come to the next Board meeting.

Mark Kelly: Moved to table the request by TTCU The Credit Union, Tulsa, Oklahoma to add John Zink Company, LLC to the credit union's field of membership for a future meeting.

Jason Boesch: Seconded the motion.

Jason Boesch: voted yes

Richard Ficken: voted yes

Mark Kelly: voted yes

Gina Wilson: voted no

Mick Thompson: voted no

Motion passed.

Sixth Item: Consideration of the request for approval of merger of Riverwest Federal Credit Union, Tulsa, Oklahoma, with and into Oklahoma Central Credit Union, Tulsa, Oklahoma, pursuant to Title 6 O.S. § 2022.

Carolyn Toalson: Representing Oklahoma Central Credit Union, explained the request for merger. The CEO of Riverwest Federal Credit Union had passed away and the Board of Directors had chosen a merger as the best course of action. Chairman of the Riverwest Board, Robert Ankersheil, was unable to attend today's meeting of the Credit Union Board.

Dudley Gilbert: Said the Department has no objections and the application has been approved by NCUA.

Richard Ficken: Commented that he was a member of Oklahoma Central Credit Union and has significant (to him) deposits there. He further stated that he reviewed the Oklahoma Conflicts of Interest statute and believes that those rules would not prohibit his participation in discussion and voting. However, this being his first meeting, and desiring to avoid any appearance of a conflict of interest, he explained that he would abstain.

Mark Kelly: Made a motion to approve the merger of Riverwest Federal Credit Union, Tulsa, Oklahoma, with and into Oklahoma Central Credit Union, Tulsa, Oklahoma.

Jason Boesch: Seconded the motion.

Jason Boesch: voted yes
Richard Ficken: abstained
Mark Kelly: voted yes
Gina Wilson: abstained
Mick Thompson: voted yes

Motion passed.

Seventh Item: Consideration and prescription of the rate of credit union assessments for Oklahoma chartered credit unions existing as of December 31, 2012, calculated on institution assets as of December 31, 2012, pursuant to Title 6 O.S. § 2001.2 and O.A.C. 180:10-1-14.

There was a discussion regarding the Department's budget and projected reserves.

Commissioner Thompson: Recommended that the Board grant a 15 percent reduction in assessment collections.

Mark Kelly: Made a motion to assess state-chartered credit unions at a rate of 15 cents per \$1,000 of assets for credit unions with \$35 million or less in assets, and a rate of 18 cents per \$1,000 of assets for credit unions with more than \$35 million in assets, and that the Commissioner be authorized to reduce the total collected assessment by 15 percent for each credit union.

Gina Wilson: Seconded the motion.

Jason Boesch: voted yes
Richard Ficken: voted yes
Mark Kelly: voted yes
Gina Wilson: voted yes
Mick Thompson: voted yes

Eighth 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
Mick Thompson: voted yes

Motion passed.

The meeting was adjourned at 10:50 a.m.

Jason Boesch

Gina Wilson

Richard Ficken

Mick Thompson

Mark Kelly