

MINUTES OF THE RESCHEDULED REGULAR MEETING
OF THE STATE BANKING BOARD

AUGUST 12, 2020

First item of business on the agenda, Acting Chairman Gilbert called the Banking Board meeting to order at 10:00 a.m., pursuant to the Agenda that was posted for public display prior to 10:00 a.m. on August 10, 2020. Notice of the meeting was also made available to the Secretary of State and other interested parties pursuant to Title 25 O.S. § 311 (The Open Meeting Act). The meeting was held in the Conference Room of the State Banking Department, Oklahoma City, Oklahoma.

Second item on the agenda was roll call; the following members were present:

Dudley Gilbert, Acting Chairman
Sandy Bracken
Dennis Brand
Wade Huckabay
Bob Newcomb
Tom Thompson

Member Krieger and Chairman Thompson were absent.

Also present: Wayne Arbuthnot, Assistant Deputy Commissioner; and Angela Morris, Administrative Assistant.

Third item on the agenda was approval of minutes for the regular meeting held February 19, 2020.

Member Bracken made the motion for approval of the minutes of the regular meeting held February 19, 2020. The motion was seconded by Member Huckabay and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Bob Newcomb – voted yes
Tom Thompson – voted yes

Fourth item on the agenda, Commissioner's Monthly Reports:

A. **Department Status Update.** Acting Chairman Gilbert discussed the following:

1. Business Continuity Plan – The Department's Business Continuity Plan was implemented Monday, March 16. One person is in the office each week – Dudley, Deron, Regina, and Matt. All examiners are working off-site and all employees have full access to the Department's file system through VPN. The Department was well prepared to work

remotely. The mail is collected at least twice per week, scanned, and delivered electronically. The Department's website has been updated to include each employees' office telephone number and phone messages are converted to email sent directly to the employee. The Department is using the Microsoft Teams application for teleconferences and videoconferences.

2. Staff Meetings. The Commissioner has held several in-person meetings among staff (usually 7 people or less) and there is a telephone conference each week that includes all staff.
3. Annex Building. Completion of the Annex building is behind schedule. The renovation of the area formerly used by the examiners may begin this year. The renovations will include additional offices and a large conference area.
4. Tulsa office. The Commissioner is considering options for the Tulsa office. The Governor has asked that state agencies reduce their "footprint" and increase telework where available. The Commissioner will be implementing those goals going forward.
5. Re-opening Plan. Office staff will meet in September to discuss re-opening the office. There will still be some form of telework for returning employees to reduce the number of people in the office and to follow the Governor's goal of more telework.
6. Enviro-mist. The OKC and Tulsa offices are periodically sprayed by Enviro-mist.
7. Employees. Mike Faulkenberry retired a few months ago and died June 8. Also, we recently found out that one Tulsa examiner is retiring. The Commissioner may consider hiring a trainee.

B. Examination Report

All exams are current and all are being completed offsite. The Department did not pause examinations but asked banks in April and May if they wanted to delay the exam. All scheduled banks said they preferred the exam to proceed.

Examinations of one Fed member bank; two non-member banks; one credit union and one trust department were completed in July 2020. Examination of three banks, and assisting FDIC with two examinations, were in process as of July 31, 2020.

Seven examiners attended various virtual training classes during July 2020.

C. Legislative and Rulemaking Update

Acting Chairman Gilbert said the rule amendments that the Board adopted in February were not acted upon by the legislature. However, the Governor issued a declaration approving the rule amendments. The amendments have been filed with the Secretary of State and are considered "finally adopted." They will be published September 1 and will take effect September 11.

In February, the Governor issued an Executive Order requiring all agencies to review their rules and identify those that are outdated, unnecessary, and costly. On July 30, the Banking Department filed its report with the Governor's office identifying several rules that could be amended or

revoked. We will work on the rule-making process again during the 2021 Legislative session to update rules enforced by the Banking Department.

Acting Chairman Gilbert said the Department will be following interim studies relating to the Open Meetings Act, administrative rules, COVID-19, and state employee telework.

The money order licenses were renewed online this year. Letters and certificates were also finalized electronically. Money transmitter renewals are handled mainly through NMLS electronically. Only a few companies are not on the NMLS system.

Acting Chairman Gilbert then discussed the expenditure summary information report.

Board members stated they had no problems receiving Board packets electronically.

D. Pending Applications

Acting Chairman Gilbert confirmed each Board Member is receiving the report of pending applications.

Fifth item on the agenda:

Consideration of, and possible action on, request for approval of Merger and Application to Maintain and Operate a Branch by Acquisition:

- A. Application for Merger of Peoples Bank, Tulsa, Oklahoma, with and into American Heritage Bank, Sapulpa, Oklahoma, pursuant to Title 6 O.S. § 1103.
- B. Branch Application of American Heritage Bank, Sapulpa, Oklahoma, pursuant to Title 6 O.S. § 501.2 and O.A.C. 85:10-9-2. Branch Location: 445 S. Lewis Avenue, Tulsa, Oklahoma

Clint Oare, Senior Vice President and CFO was present on behalf of American Heritage Bank. Mr. Oare described the relationship between the merging banks and the plans for the merged institution. He thanked the Department for its help with the transition and the Department's Analysis.

After discussion of the Merger Application, Member Brand made the motion to approve the merger. The motion was seconded by Member Thompson and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Bob Newcomb – voted yes
Tom Thompson – voted yes

After discussion of the branch application, Member Bracken made the motion to approve the branch. The motion was seconded by Member Brand and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Bob Newcomb – voted yes
Tom Thompson – voted yes

Sixth item on the agenda:

Consideration of, and possible action on, request for approval of Merger and Application to Maintain and Operate a Branch by Acquisition:

- A. Application for Merger of Bank of Laverne, Laverne, Oklahoma, with and into Security State Bank, Cheyenne, Oklahoma, pursuant to Title 6 O.S. § 1103.
- B. Branch Application of Security State Bank, Cheyenne, Oklahoma, pursuant to Title 6 O.S. § 501.2 and O.A.C. 8:10-9-2. Branch Location: 224 E. Broadway, Laverne, Oklahoma

Paul Foster, Attorney, was present on behalf of Security State Bank. Mr. Foster thanked the Department for its consideration of the merger application. He described the details of the merger and the plans for the merged institution.

After discussion of the Merger Application, Member Bracken made the motion to approve the merger. The motion was seconded by Member Newcomb and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Bob Newcomb – voted yes
Tom Thompson – voted yes

After discussion of the branch application, Member Newcomb made the motion to approve the branch. The motion was seconded by Member Brand and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Bob Newcomb – voted yes
Tom Thompson – voted yes

Seventh item on the agenda, New Business.

Acting Chairman Gilbert presented Sandy Bracken a Proclamation of the Commissioner in honor of her dedication to the Oklahoma banking industry and to commemorate her retirement as an officer of First Liberty Bank. She will remain Vice Chairman of the bank's board of directors.

Eighth item on the agenda, Adjournment.

Member Newcomb made a motion to adjourn. The motion was seconded by Member Thompson and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Bob Newcomb – voted yes
Tom Thompson – voted yes

The meeting adjourned at 10:47 a.m.

Dudley Gilbert, Acting Chairman

Wade Huckabay

Dennis Brand

Tom Thompson

Bob Newcomb

Sandy Bracken