MINUTES OF THE REGULAR MEETING
OF THE STATE BANKING BOARD
JUNE 16, 2021

First item of business on the agenda, Chairman Thompson 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 June 11, 2021. 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:

Mick Thompson, Chairman
Sandy Bracken
Dennis Brand
Wade Huckabee
Brad Krieger
Tom Thompson

Member Newcomb was not present.

Also present: Dudley Gilbert, Deputy Commissioner; Wayne Arbuthnot, Assistant Deputy Commissioner; Regina Rainey, Chief of Staff; Angela Morris, Administrative Assistant.

Third item on the agenda was approval of minutes for the regular meeting held November 18, 2020.

Member Thompson made the motion for approval of the minutes of the meeting held November 18, 2020. The motion was seconded by Member Brand and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabee – voted yes
Brad Krieger – voted yes
Tom Thompson – voted yes

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

A. Department Status Update

Chairman Thompson provided an update on the progress of the annex building project. He said Department of Consumer Credit has moved into the space. The monthly payments paid by DOCC will significantly reduce the Banking Department’s monthly payment to OMES for the main Oklahoma City office.
Chairman Thompson described the remodeling project in the examiners’ area. He stated that all cubicles in the Oklahoma City office have been removed and donated to the Office of Emergency Management and that area is being converted to additional office space and an examiner work area. A vestibule which will enclose the two existing entrances is being added to the east side of the building.

He said pre exam work will be done offsite. The examiner-in-charge of each exam will determine how much onsite exam work will be necessary. Otherwise, examiners will be teleworking, and will come to the Oklahoma City office to complete the exam report.

The Chairman then discussed changes to the Tulsa office arrangement. The Tulsa office space has been reduced from approximately 3000 square feet to approximately 540 square feet. The new space is being rented from a bank in Tulsa. He explained to the Board that the Department first asked the Attorney General if the OSBD could lease space from a bank and the A.G. said it was permissible. The OSBD did not handle any of the lease negotiations. OMES was in direct contact with the lessor. Tulsa examiners will use this office space when completing exams or other circumstances require that they be in the office. Otherwise, the examiners in Tulsa will also be teleworking.

The office employees have returned to the office but will be allowed some telework under the Department’s new telework policy. The Policy has been developed so that employees are paired according to skillsets so that when a person is teleworking, another person with similar skillsets will be in the office. This will also help with parking now that DOCC will be using the same parking lot.

B. Examination Report

Chairman Thompson reported that during the month of May, examinations of one fed member bank, three nonmember banks, one trust company; and two trust departments were completed. At the beginning of June, examinations of three banks and one credit union were in process. Two examiners have been approved to attend the in-person Graduate School of Banking at Colorado in Boulder, CO; otherwise the Department continues to operate under the Executive Order banning out-of-state travel.

The Chairman stated that the Department recently surveyed all institutions to determine those that do not have their loan files and other documents scanned to a digital format. The number that have not scanned their files is small. He stated that if an institution does not have its loan files or other documents scanned, the Department is researching ways to assist the institution in getting the files scanned.

Chairman Thompson reported that banks are requesting an examiner to attend on site for exit reviews.

C. Legislative Update
The Commissioner stated that the Banking Department did not suggest any changes to the Oklahoma Banking Code this year. He said the OBA and CBAO were successful in helping the Department keep reserves from being targeted by the Legislature.

Ms. Rainey reported that the OBA had requested two bills that were passed and signed by the Governor. HB1034 deals with paying heirs of a deceased account owner when the account is under $50,000; HB2568 allows Oklahoma banks and credit unions to offer savings promotion raffles and that such raffles do not violate the Oklahoma lottery and gambling laws.

One bill that will have a financial impact on the Banking Department was signed by the Governor. SB0650 provides for the plan year beginning January 1, 2022, the amount of a state employee’s benefit allowance shall be increased by 2% from the amount provided in the previous year. An additional 2% increase will be implemented beginning January 1, 2023. The current employee benefit allowance amount has been frozen since 2012.

D. Pending Applications

Chairman Thompson 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 Stroud National Bank, Stroud, Oklahoma, with and into The First Bank & Trust Co., Duncan, Oklahoma, pursuant to Title 6 O.S. § 1103.

B. Branch Application of The First Bank & Trust Co., Duncan, Oklahoma, pursuant to Title 6 O.S. § 501.2 and O.A.C. 85:10-9-2.
   Branch Location: 300 W. Main Street, Stroud, Oklahoma

Paul Foster, Attorney, and Melanie Martin, EVP-CFO of First Bank & Trust Co., Duncan, were present to answer questions.

Mr. Foster described the merger and said he is in agreement with the Department Analysis. He said the FDIC has already approved the merger.

Ms. Martin discussed the bank facilities that it will gain as part of the merger. She said the bank will be a good fit for Duncan. She stated that all employees of the Stroud bank were given the opportunity to stay employed, but some are retiring and two have resigned.

Mr. Arbuthnot said the Banking Department has no objection to the merger.

Member Bracken made the motion for approval of the merger. The motion was seconded by Member Krieger and approved as follows:
Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Brad Krieger – voted yes
Tom Thompson – voted yes

Member Bracken made the motion for approval of the branch. The motion was seconded by Member Huckabay and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Brad Krieger – voted yes
Tom Thompson – voted yes

Sixth item on the agenda, New Business. There was no new business.

Seventh item on the agenda, Adjournment.

Member Brand 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
Brad Krieger – voted yes
Tom Thompson – voted yes

The meeting adjourned at 10:28 a.m.

Mick Thompson, Chairman

Sandy Bracken

Dennis Brand

Wade Huckabay

Tom Thompson

Brad Krieger