

MINUTES OF THE REGULAR MEETING
OF THE STATE BANKING BOARD

AUGUST 18, 2021

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 12, 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:

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

Also present: Steven Hawkins, Budget Director; Dedra Blackwell, Deputy Chief of Staff; Angela Morris, Administrative Assistant.

Third item on the agenda was approval of minutes for the regular meeting held June 16, 2021.

Member Bracken made the motion for approval of the minutes of the meeting held June 16, 2021. 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
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 status of the Annex building and the examiner area remodel. The remodel is almost complete. There are four new offices and an examiner work area with multiple work stations so that examiners can collaborate on a report when in the office. He reported that the Department of Consumer Credit has moved into the Annex building. He said the vestibule at the back of the building will be eventually closed in and completed.

Acting Chairman Gilbert gave Board members the examiner telework policy and described how the examiner-in-charge will determine the scope of each exam regarding on-site exam work and telework. The EIC and operations examiner will come into the office to finalize the exam report. Otherwise, examiners' work station will be their home. He said the Tulsa office has downsized to new space that includes multiple work stations, but examiners in the Tulsa area will also work from home when not on-site at a bank or in the Tulsa office to complete an exam. Expenses associated with the Tulsa space have been significantly reduced.

Acting Chairman Gilbert said the office staff is working in the office, but have the option to telework some days.

Acting Chairman Gilbert gave an overview of the Expenditure Summary. He discussed the reasons the Department is under budget (travel has been reduced, several employees retired, delays in construction, and we did not have to purchase furniture and equipment for the Annex because it is subleased to the Department of Consumer Credit).

Member Bracken asked about the savings associated with the sublease of the Annex building.

Mr. Hawkins answered that lease payments made by the Department of Consumer Credit will be used to reduce the lease payment obligation of the Banking Department for its main office.

Acting Chairman Gilbert pointed out that the Banking Department contributed approximately \$900,000 into the general revenue fund this year and received no appropriations.

B. Examination Report

Acting Chairman Gilbert reported that during the month of July, the Banking Department completed examinations of four nonmember banks and one credit union. The Banking Department also assisted the FDIC with two examinations. At the beginning of August, examinations of three banks were in process. Three examiners received permission to attend a trust conference in Kansas City; otherwise the Department continues to operate under the Executive Order banning out-of-state travel.

C. Legislative Update

Acting Chairman Gilbert said the Governor issued an Executive Order in 2020 that required all agencies to identify outdated and costly rules. The Department did this last year and plans to suggest revocation of certain rules at the Board's meeting in November. The procedure to adopt or revoke rules is lengthy and will occur during the next legislative session.

Ms. Blackwell said there are numerous interim studies but none that directly affect banks or the Banking Department.

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 Lakeside State Bank, Oologah, Oklahoma, with and into RCB Bank, Claremore, Oklahoma, pursuant to Title 6 O.S. § 1103.
- B. Branch Application of RCB Bank, Claremore, Oklahoma, pursuant to Title 6 O.S. § 501.2 and O.A.C. 85:10-9-2. Branch Location: 6695 East 400 Road, Oologah, Oklahoma

Ray Simmons, RCB Bank, Claremore, was present to answer questions. Heath Hartley, Oklahoma State Bank, Vinita, also was present.

Mr. Simmons and Mr. Hartley discussed that Lakeside State Bank and Oklahoma State Bank are affiliated through the same holding company. They also discussed the benefits of the proposed merger to both the customers of Lakeside State Bank and to the Bank's employees.

Member Bracken asked if there will be any locally owned banks once the merger is complete?

Mr. Hartley identified the other banks in that area.

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

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

Member Newcomb made the motion for approval of 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
Brad Krieger – 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 Oklahoma State Bank, Vinita, Oklahoma, with and into RCB Bank, Claremore, Oklahoma, pursuant to Title 6 O.S. § 1103.
- B. Branch Application of RCB Bank, Claremore, Oklahoma, pursuant to Title 6 O.S. § 501.2 and O.A.C. 85:10-9-2. Branch Location: 120 West Canadian Street, Vinita, Oklahoma

Member Thompson made the motion for approval of the merger. 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
Bob Newcomb – voted yes
Tom Thompson – voted yes

Member Newcomb made the motion for approval of 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
Brad Krieger – voted yes
Bob Newcomb – voted yes
Tom Thompson – voted yes

Mr. Hartley said he appreciates the partnership with the Department especially with Mr. Gilbert and Commissioner Thompson.

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

Eighth item on the agenda, Adjournment.

Member Bracken made a motion to adjourn. 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
Bob Newcomb – voted yes
Tom Thompson – voted yes

The meeting adjourned at 10:29 a.m.

Mick Thompson, Chairman

Tom Thompson

Sandy Bracken

Brad Krieger

Dennis Brand

Bob Newcomb

Wade Huckabay