

MINUTES OF THE REGULAR MEETING
OF THE STATE BANKING BOARD

MARCH 15, 2023

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 March 8, 2023. 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 Huckabay
Brad Krieger
Bob Newcomb
Tom Thompson

Also present: Dudley Gilbert, Deputy Commissioner; Matt Mowdy, Legal Counsel; Wayne Arbuthnot, Assistant Deputy Commissioner; Steven Hawkins, Director of Finance & Administration; Angela Morris, Director of Non-Depository.

Third item on the agenda was approval of minutes for the regular meeting held January 18, 2023.

Chairman Thompson asked for any changes or additions to the minutes. Member Brand made a motion for approval of the minutes of the meeting held January 18, 2023. 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
Bob Newcomb – voted yes
Tom Thompson – voted yes

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

A. Department Status Update

Chairman Thompson discussed the recent bank failure of Silicon Valley Bank. He also provided the Board with information regarding the Federal Reserve’s “Bank Term Funding Program.”

Chairman Thompson explained the FDIC's Large Insured Depository Institution examination guidelines for banks with assets over \$10 billion. He stated that he has discussed with the FDIC chairman about increasing the asset threshold for examination of large banks.

Chairman Thompson gave an overview of the Expenditure Summary.

Chairman Thompson reported that Oklahoma's Credit Union (a credit union originally chartered to serve state employees) will be converting to a federal charter soon, which will result in a loss of total assessments. He discussed the amount of assets under the Department's supervision.

Chairman Thompson discussed the FDIC's examinations relating to "re-presentment" of nonsufficient funds (NSF) checks. He discussed the FDIC Guidance issued in August 2022 and how it is being enforced by the FDIC. He has been working to change how FDIC is enforcing the guidance relating to re-presentment of NSF checks.

Chairman Thompson said four examiners have been hired recently and Zenia Fiddes, Records Clerk, has retired. Chariee Gittings was hired several months ago to take over Ms. Fiddes' responsibilities.

Chairman Thompson discussed the Department's new payroll system.

B. Examination Report

Chairman Thompson reported that during the month of February, the Banking Department completed examinations of two fed member banks; one nonmember bank; one credit union; one trust department; and one trust company. At the beginning of February, examinations of four banks, one credit union, and three trust departments were in process.

C. Legislative Update

Chairman Thompson discussed the bill-filing deadlines and discussed the number of bills and joint resolutions that were filed as well as how many remain active to date in the House and Senate. He also discussed the number of bills that could be of interest to the Department.

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 First National Bank of Weatherford, Weatherford, Oklahoma, with and into Blue Sky Bank, Pawhuska, Oklahoma, pursuant to Title 6 O.S. § 1103.

- B. Branch Application of Blue Sky Bank, Pawhuska, Oklahoma, pursuant to Title 6 O.S. § 501.2 and O.A.C. 85:10-9-2.
Branch Location: 1100 E. Main Street, Weatherford, Oklahoma.

Paul Foster, Attorney, and Brian Schneider, CEO of Blue Sky Bank, were present to answer questions.

Mr. Foster discussed the application that had been filed with the Federal Reserve regarding the holding companies. He also discussed the result of this proposed merger. Mr. Foster said the banks are affiliated through the holding company and are now ready to merge. The OCC will be notified. He stated he agreed with the conclusions in the Department's analysis of the merger.

Member Newcomb made the motion for approval to merge First National Bank of Weatherford, Oklahoma, with and into Blue Sky Bank, Pawhuska, Oklahoma. 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 Bracken made the motion to approve the branch application. 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

Sixth item on the agenda, New Business.

There was no new business to discuss.

Seventh item on the agenda, Adjournment.

Member Bracken 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
Bob Newcomb – voted yes
Tom Thompson – voted yes

The meeting adjourned at 10:51 a.m.

Mick Thompson, Chairman

Dennis Brand

Sandy Bracken

Brad Krieger

Bob Newcomb

Wade Huckabay

Tom Thompson