

MINUTES OF THE RESCHEDULED REGULAR MEETING  
OF THE STATE BANKING BOARD

AUGUST 29, 2018

**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 August 24, 2018. 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  
Dennis Brand  
Wade Huckabay  
Brad Krieger  
Tom Thompson

Members Sandy Bracken and Bob Newcomb were absent.

Also present: Dudley Gilbert, Deputy Commissioner; Wayne Arbuthnot, Assistant Deputy Commissioner; Steven Hawkins, Budget Director; Bob Toler, Review Officer; and Angela Morris, Administrative Assistant.

**Third item** on the agenda was the approval of the minutes for the meeting held June 20, 2018.

Member Brand made the motion for approval of the minutes of the meeting held June 20, 2018. The motion was seconded by Member Krieger and approved as follows:

Dennis Brand  
Wade Huckabay  
Brad Krieger  
Tom Thompson

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

A. Department Status Update

Chairman Thompson said the Department's audit has been completed and there will be an exit meeting next Wednesday to go over the findings.

Chairman Thompson reported there will be a meeting tomorrow regarding a proposed annex building on the property behind this building that will accommodate the examination staff. The current examiner workspace will be converted into offices.

Chairman Thompson said the Department has requested and been approved by its Cabinet Secretary to hire additional personnel, including an examiner trainee; senior examiner, and legal counsel. He also described changes to the Department's Employee Position Description Manual.

Member Krieger asked how the Department is addressing diversity in its staff.

The Deputy Commissioner explained the process followed by the Department when soliciting employment applications.

Chairman Thompson discussed the budget report and mentioned that the format has changed for easier access and reading of the information.

#### B. Examination Report

Chairman Thompson said examinations of six non-member banks were completed in July 2018. Examination of two banks were in process as of July 31, 2018.

Schools attended in July: Bagby/Arbuthnot/Gilbert – CSBS Deputy Commissioner Seminar; Malone/Mo Wilson – Graduate School of Banking, Boulder, Colorado; and Mills/Burcham – NASCUS State Summit.

#### C. Legislative and Rulemaking Update

Chairman Thompson introduced former Majority Floor Leader Greg Piatt and Representative Randy McDaniel, who is a candidate for State Treasurer.

Chairman Thompson then discussed the issues that have arisen in connection with the passage of State Question 788. He discussed the risks associated with providing banking services to the marijuana industry. He said two bills have been introduced in Congress that would decriminalize the provision of financial institutions to marijuana related businesses that are complying with state law. Under current federal law, it is a criminal violation to provide financial services to a marijuana related business even if the marijuana activity is licensed and legal under state law.

The Commissioner distributed to Board members a statement that will be included in any exam report for institutions that provide services to marijuana related businesses.

#### 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, Application for Authority to Engage in the Banking Business by a company to be known as Watermark Bank, Oklahoma City, Oklahoma, pursuant to Title 6 Okla. Stat. § 301.

Chet Fenimore, Attorney, introduced Matthew Pollock, the proposed President/CEO of the applicant Bank. Mr. Pollack discussed his banking background and vision for the applicant. The following individuals then introduced themselves and discussed their background and role with the applicant bank: Gary McClanahan, Scott Mueller, Martha Burger, Chris Streets, and Chad Dillingham.

Mr. Pollock then further discussed the business plan for the applicant bank. He explained that, if approved, two more senior officials will be hired in the next few weeks. He also discussed the applicant's current capital commitments and plans for an online platform. Mr. Pollack and Mr. McClanahan both stressed the applicant's long-term vision and focus on being a stable asset for the shareholders.

Chairman Thompson asked Assistant Deputy Commissioner Wayne Arbuthnot to discuss the Department's analysis of the Application. Mr. Arbuthnot referred Board Members to his written analysis and concluded by stating that the applicant's business plan appears to be reasonable and obtainable.

Member Brand commented that this is the most comprehensive application he has seen. He cautioned that collecting core deposits can be difficult in this environment.

Member Krieger said the bank is well-capitalized with a good board of directors.

Member Thompson said it is a well-presented plan. He also complimented Martha Burger on her recent appointment as President of Oklahoma City University.

After discussion by Board members and review of the application and the Department's analysis, Member Thompson made a motion to approve the application. The motion was seconded by Member Huckabay and approved as follows:

Dennis Brand  
Wade Huckabay  
Brad Krieger  
Tom Thompson

**Sixth** item on the agenda:

Consideration of, and possible action on, changes to the Oklahoma State Banking Department Employee Position Description Manual pursuant to Title 6 O.S. Section 201.C.5.

Chairman Thompson explained that the Banking Code requires that any changes to the Department's Position Description Manual be approved by the Board. He explained how the Manual previously had three different descriptions for Assistant Deputy Commissioner and those descriptions were combined to create a single description for Assistant Deputy Commissioner. He also discussed the Manual's pay grade structure developed pursuant to the directives of the Office of Management and Enterprise Services.

After review of the changes to the Department's Employee Position Description Manual, Member

Krieger made a motion to approve the changes. The motion was seconded by Member Brand and approved as follows:

Dennis Brand  
Wade Huckabay  
Brad Krieger  
Tom Thompson

**Seventh** item on the agenda, New Business:

There was no new business to come before the Board.

**Eighth** item on the agenda, Adjournment.

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

Dennis Brand  
Wade Huckabay  
Brad Krieger  
Tom Thompson

The meeting adjourned at 10:41 a.m.

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Mick Thompson, Chairman

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Dennis Brand

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Brad Krieger

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Tom Thompson

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Wade Huckabay