

MINUTES OF THE REGULAR MEETING

OF THE STATE BANKING BOARD

JUNE 20, 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 May 9, 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
Sandy Bracken
Wade Huckabay
Brad Krieger
Bob Newcomb

Member Tom Thompson and Member Brand were absent.

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

Third item on the agenda was the approval of the minutes for the meeting held May 16, 2018.

Member Bracken made the motion for approval of the minutes of the meeting held May 16, 2018. The motion was seconded by Member Krieger and approved as follows:

Sandy Bracken – voted yes
Wade Huckabay – voted yes
Brad Krieger – voted yes
Bob Newcomb – voted yes

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

A. Department Status Update

Chairman Thompson said the Tulsa Field Office lease has been approved for the next five years. He then discussed the Department's budget with the Board members.

B. Examination Report

Chairman Thompson said examinations of five non-member banks, two credit unions and one conversion exam were completed in May 2018. Examinations of six banks and one credit union were in process as of May 31, 2018.

Schools attended in May: McDaniel – GSBC Community Bank Investment May 20-24; Bagby – OBA Leadership Forum May 21-23; Sparks, Morris, and Toler – CSBS State-Federal Supervisory Forum May 7 -11; and Daryl Jones, Rick Nelson, Wayne Arbuthnot attended the Moka Trust Conference.

C. Legislative and Rulemaking Update

Ms. Rainey reported that the House has filed 57 Interim Study requests. Some of the requests affect state employees but none appear to directly affect the Banking Department's supervision or regulatory authority.

The Governor may call a special session if State Question 788 is passed.

Chairman Thompson discussed the risks associated with providing banking services to the marijuana industry. He explained that marijuana possession and use remains illegal under federal law regardless of the passage of State Question 788. He stated that financial institutions could be subject to federal prosecution for maintaining deposit accounts that contain proceeds of a marijuana business.

Mr. Gilbert discussed the various Memorandums issued by the United States Department of Justice under current and previous administrations. He also discussed the guidance issued by the Financial Crimes Enforcement Network. He stated that the current Memorandum issued by Attorney General Sessions creates a more risky and uncertain environment with respect to doing business with marijuana related customers.

Chairman Thompson stated that the Department is following proposed federal legislation that could possibly resolve this issue.

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 Application for Merger of AmeriTrust Corporation, Tulsa, Oklahoma, with and into Heritage Trust Company, Oklahoma City, Oklahoma, pursuant to Title 6 Okla. Stat. §§ 1019 and 1103.

Bond Payne, Heritage Trust Company; Harvey Roe, AmeriTrust Corporation; and Greg Eichner, Attorney, were present to answer questions.

Mr. Payne discussed the merger transaction and the benefits of the merger. He stated that he and Mr. Roe had known each other for a long time and believe their operations are very similar.

Mr. Arbuthnot stated that the Department has examined both trust companies and is supportive of this merger. Both companies are well managed.

Mr. Roe explained the circumstances leading to the merger and discussed his support for the new company.

Member Krieger said after review of the documents presented, he believes the merged company will be successful.

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

Sandy Bracken – voted yes
Wade Huckabay – voted yes
Brad Krieger – voted yes
Bob Newcomb – voted yes

Ninth item on the agenda, New Business:

There was no new business to come before the Board.

Tenth item on the agenda, Adjournment.

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

Sandy Bracken – voted yes
Wade Huckabay – voted yes
Brad Krieger – voted yes
Bob Newcomb – voted yes

The meeting adjourned at 10:27 a.m.

Mick Thompson, Chairman

Bob Newcomb

Brad Krieger

Sandy Bracken

Wade Huckabay