

**REGULAR STATE BANKING BOARD MEETING
OFFICE OF THE COMMISSIONER
DEPARTMENT OF FINANCIAL INSTITUTIONS
2000 SCHAFFER STREET, SUITE G
BISMARCK, NORTH DAKOTA**

January 8, 2015

The regular meeting of the State Banking Board was held in the Office of the Commissioner, Department of Financial Institutions, 2000 Schafer Street, Suite G, Bismarck, North Dakota. Chairman Entringer called the meeting to order at 9:00 a.m., Thursday, January 8, 2015, by conference call.

MEMBERS PRESENT: Robert J. Entringer, Chairman (*Office*)
Nancy Baerwald, Member (*Cando*)
Linda Beall, Member (*Velva*)
Kim Larson, Member (*Casselton*)
John Schmid, Member (*Carson*)
Tom Stennes, Member (*Office*)
Cheryl Thompson, Member (*Fargo*)

MEMBERS ABSENT: None

ALSO PRESENT: Aaron Webb, Secretary (*Office*)
Suzette Richardson, Administrative Staff Officer (*Office*)
Jan Murtha, Assistant Attorney General (*Office*)
Lise Kruse, Chief Examiner – Banks (*Fargo*)

APPROVAL OF MINUTES

Chairman Entringer indicated the Board received copies of the minutes of the regular meeting held on November 13, 2014, and the special meetings held on December 18 and December 29, 2014.

Member Schmid pointed out his name was spelled wrong on page 9 of the November 13, 2014, minutes.

It was moved by Member Larson, seconded by Member Schmid, and unanimously carried, to approve the minutes of the regular meeting held November 13, 2014, as amended, and of the special meetings held December 18 and 29, 2014, as presented.

ITEMS TO BE NOTED

Chairman Entringer indicated that on November 25, 2014, he approved, as Commissioner, the request by North Country Bank, McClusky, to discontinue maintenance of its facility located at 109 Main St, Ste B, Mercer.

Chairman Entringer indicated that on December 15, 2014, he approved, as Commissioner, the request by First Western Bank & Trust, Minot, for a second extension to commence business at its facility to be located at 2105 16th St NW, Minot.

BANK BUDGET UPDATE

Chairman Entringer indicated the Board received the November 30, 2014, Organizational Status Report by Summary Account for the bank division.

LEGISLATION

Chairman Entringer indicated the Department's budget hearing is scheduled for Monday, January 12, 2015, at 2:00 p.m.

Chairman Entringer indicated the Department has submitted two bills which have not yet been scheduled.

In response to Member Schmid, Chairman Entringer explained the bill accomplishes the following powers: (1) provides the Department the power to investigate holding companies if necessary and assess civil money penalties, removal actions, and issue Orders (this was a suggestion made by the CSBS Accreditation Team); (2) gives the Department the ability to examine third-party technology service providers; (3) amends the section regarding corporate bonds; (4) amends change of

control statute to harmonize our law with the federal law regarding gift or inheritance of stock and to extend the time for the State Banking Board to act on an application; and (5) repeals a section which allows a newly chartered trust company to inject capital over a two-year period.

Chairman Entringer explained there is also a provision in the bill which would allow the Department to assess fees to credit unions that need an additional examination.

Chairman Entringer stated that Assistant Commissioner Webb will send the proposed bill to the Board members for their review and information.

The Board went into closed session at 9:09 a.m. to review the Supervisory Reports of Examination pursuant to North Dakota Century Code 6-01-07.1, and to discuss any confidential records pursuant to North Dakota Century Code 44-04-19.2.

The Board reconvened to open session at 9:37 a.m.

WESTERN STATE BANK, DEVILS LAKE – RELOCATION OF INTERSTATE BRANCH

In response to Member Stennes, Chairman Entringer stated he can act on the application submitted by Western State Bank, Devils Lake, to relocate its interstate branch from 928 West Chandler Boulevard, Chandler, Arizona, to 976 West Chandler Boulevard, Chandler, Arizona. Chairman Entringer explained the interstate branch application was approved with the intention that it be a temporary location while a new building was constructed; however, Western State Bank forgot to request approval to relocate to the completed building. Chairman Entringer continued this is a request for retroactive approval to relocate as the interstate branch has been operating in the new building since July 2012.

It was moved by Member Larson, seconded by Member Stennes, and unanimously carried to adjourn the meeting at 9:40 a.m.

Robert J. Entringer, Chairman

Aaron Webb, Secretary