



Robert J. Entringer  
*Commissioner*

Aaron K. Webb  
*Assistant Commissioner*

I. Lise Kruse  
*Chief Examiner - Banks*

Corey J. Krebs  
*Chief Examiner - Credit Unions*

CSBS ACCREDITED 1993  
NASCUS ACCREDITED 2000

March 10, 2011

Anton J. Moch  
Winthrop & Weinstine  
Capella Tower, Suite 3500  
225 S 6<sup>th</sup> St  
Minneapolis MN 55402-4629

Dear Mr. Moch,

This letter is in response to your letter dated February 23, 2011. In that letter you asked whether a North Dakota state chartered bank would have the authority to purchase shares of a Minnesota bank holding company, in this case, United Bankers' Bancorporation Inc. ("UBBI")? As you stated in your letter, UBBI is the sole shareholder of United Bankers' Bank ("UBB"), a Minnesota state banking corporation.

On the morning of March 10, 2011, the North Dakota State Banking Board met to discuss your letter, and to determine if this type of investment would be authorized for state chartered banks. As a result of this meeting, the State Banking Board held that NDAC § 13-02-10-01 authorizes a state chartered bank to invest in securities that a bank would be allowed to invest in if the bank were nationally chartered. This rule was found to have been adopted under the parity authority as it existed in the North Dakota Century Code prior to the 2007 session (specifically, under NDCC § 6-03-38).

Therefore, based on the foregoing, if a federally chartered bank would have the authority to invest in your stock offering under 12 U.S.C. § 27(7), then a North Dakota state chartered bank would have the same authority to invest in your stock offering under NDAC § 13-02-10-01. If there is a determination that a federal bank is no longer authorized to invest in your stock, the state bank authority to invest in your stock would likewise terminate. It is also important to note that all requirements and limitations that apply to banks under federal law will likewise apply to banks under state law (eg: limits regarding the amount of stock a bank can purchase). Put another way, the authority granted to a state chartered bank under NDAC § 13-02-10-01 cannot, in any way, exceed the authority granted to a federally chartered bank under federal law.

If you have any questions, please feel free to call.

Sincerely,

Aaron K. Webb, Secretary  
State Banking Board

AKW:sr

cc: Examiners 2000 Schafer Street, Suite G Bismarck, ND 58501-1204

701-328-9933 dfi@nd.gov  
J:\Correspondence\Winthrop response letter (3-10-11).doc  
fax 701-328-0290 www.nd.gov/dfi