

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

July 14, 2016

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. Acting Chairman Webb called the meeting to order at 9:00 a.m., Thursday, July 14, 2016, by conference call.

MEMBERS PRESENT: Aaron Webb, Acting Chairman (*Office*)
Nancy Baerwald, Member (*Cando*)
Linda Beall, Member (*Velva*)
Kim Larson, Member (*Casselton*)
John Schmid, Member (*Carson*)
Tom Stennes, Member (*Harwood*)

MEMBERS ABSENT: Robert J. Entringer, Chairman
Cheryl Thompson, Member

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

APPROVAL OF MINUTES

Acting Chairman Webb indicated the Board received copies of the minutes of the regular meeting held on May 12, 2016.

It was moved by Member Schmid, seconded by Member Larson, and carried by a vote of 6 to 0, with Member Thompson absent, to approve the minutes of the regular meeting held May 12, 2016, as presented.

AMENDED AND RESTATED ARTICLES OF INCORPORATION – LINCOLN STATE BANK, HANKINSON

Acting Chairman Webb explained that Lincoln State Bank, Hankinson, is amending its Articles for the primary reason of consolidating previous amendments into one document. He added that there are no substantive changes to the Articles.

Acting Chairman Webb explained since the State Banking Board acts on Articles of Incorporation when a bank is initially chartered, the Board also acts on proposed amendments to those Articles.

Acting Chairman Webb stated that Section 10-19.1-10 of the North Dakota Business Corporations Act is referred to for guidance in regard to proposed amendments to Articles of Incorporation; specifically that the content must include the name of corporation, name of registered agent, address of principal executive office, aggregate number of shares the corporation has authority to issue, name and address of each incorporator, and the effective date of the corporation. He added that in the case of a restatement, the Articles do not have to include the name and address of each incorporator.

Acting Chairman Webb continued that Sections 10-19.1-17 & 10-19.1-19 of the North Dakota Business Corporations Act provide that in order for an entity to amend its Articles of Incorporation the amendments have to be approved by the directors and shareholders; adding that Lincoln State Bank, Hankinson, has complied with these requirements.

Acting Chairman Webb noted if the Amended and Restated Articles of Incorporation are approved by the State Banking Board they will be forwarded to the Secretary of State's Office for filing.

It was moved by Member Beall, seconded by Member Baerwald, and carried by a vote of 6 to 0, with Member Thompson absent, to approve the Amended and Restated Articles of Incorporation for Lincoln State Bank, Hankinson.

ITEMS TO BE NOTED

Acting Chairman Webb indicated on May 17, 2016, Commissioner Entringer approved the application by Bank Forward, Hannaford, to discontinue its interstate branch at 316 1st St N. Hackensack, MN.

Acting Chairman Webb indicated on June 6, 2016, Commissioner Entringer approved the application by Cornerstone Bank, Fargo, to establish an interstate branch at 4930 S Western Ave, Sioux Falls, SD.

BANK BUDGET UPDATE

Acting Chairman Webb indicated the Board received the May 31, 2016, Organizational Status Report by Summary Account for the bank division.

The Board went into closed session at 9:07 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., and returned to open session at 9:15 a.m.

APPROVAL OF EXECUTIVE SESSION MINUTES

It was moved by Member Baerwald, seconded by Member Stennes, and carried by a vote of 6 to 0, with Member Thompson, to approve the executive session minutes of the regular meeting held May 12, 2016, as presented.

The meeting adjourned at 9:16 a.m.

Aaron Webb, Acting Chairman

Suzette Richardson, Acting Secretary