

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

November 29, 2017

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, September 14, 2017, by conference call.

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

MEMBERS ABSENT: None

ALSO PRESENT: Aaron Webb, Secretary (*Office*)
Suzette Richardson, Acting Secretary (*Office*)
Jan Murtha, Assistant Attorney General (*Office*)
Lise Kruse, Chief Examiner – Banks (*Office*)
Angie Mills Fischer, Financial Institutions Examiner (*Office*)
Taylor Harms, Financial Institutions Examiner (*Office*)
Doug Hoselton, Supervising Examiner (*Office*)
Alex Jacobsen, Financial Institutions Examiner (*Office*)
Dave Lessard, Supervising Examiner (*Office*)
Carolene Martin, Financial Institutions Examiner (*Office*)
Paul Myklebust, Financial Institutions Examiner (*Office*)
David Neff, Financial Institutions Examiner (*Office*)
Jared Person, Financial Institutions Examiner (*Office*)
Lindsey Schneider, Financial Institutions Examiner (*Office*)

Ryan Spah, Supervising Examiner *(Office)*
Halsey Thompson, Financial Institutions Examiner *(Office)*
Lisa Kirschmann, Administrative Assistant *(Office)*
Kelly Steffes *(Fargo)*
Rick Thoreson *(Fargo)*

APPROVAL OF MINUTES

Chairman Entringer indicated the Board received copies of the minutes of the regular meeting held on September 14, 2017, and the special meeting held on October 19, 2017.

It was moved by Member Larson, seconded by Member Baerwald, and unanimously carried, to approve the minutes of the regular meeting held September 14, 2017, and the special meeting held October 19, 2017, as presented.

THORESON STEFFES TRUST COMPANY, FARGO – APPLICATION TO ESTABLISH AN INTERSTATE BRANCH

Chairman Entringer indicated Thoreson Steffes Trust Company, Fargo (Thoreson), is requesting approval to establish an interstate branch at 101 S. Reid St, Ste 307, Sioux Falls, SD. Chairman Entringer reviewed his Memorandum dated November 28, 2017, indicating the Department received the interstate branch application on May 31, 2017; however, the application was not deemed complete until October 25, 2017.

Chairman Entringer stated notice of the application was published in the Argus Leader on November 5, 2017, with the comment period ending on November 13, 2017; no comments or requests for copies of the application were received. Chairman Entringer indicated a copy of the notice was mailed to all banks with trust powers and trust companies located in the city of Sioux Falls, SD, and the application was included in the Department's Monthly Bulletin.

Chairman Entringer reviewed the application criteria found under North Dakota Century Code Section 6-05-15.4, as well as exhibits within the application,

and indicated it does not appear the operation of this branch would jeopardize the solvency of Thoreson or place the company in an unsafe and unsound position.

Ms. Steffes indicated Thoreson has been approached by one primary client requesting Thoreson pursue the establishment of an interstate branch at the proposed location, and this one client's business would more than cover the expenses to establish the branch.

Ms. Steffes stated Thoreson is facing challenges with South Dakota's interpretation of statutes; however, Thoreson plans to proceed with the plan to establish the proposed branch. Ms. Steffes added Thoreson is also looking at other alternatives to continue to work the above-mentioned client.

Chairman Entringer explained he sent a copy of the proposed application to the South Dakota Division of Banking for comment, and they requested additional information. Assistant Commissioner Webb explained an issue raised by the South Dakota Division of Banking is whether under South Dakota trust law there is a requirement that in order to apply South Dakota law there has to be a qualified person in South Dakota, which is defined as someone who works or operates out of a South Dakota chartered trust company. Assistant Commissioner Webb continued the ultimate question is whether only South Dakota trust companies can apply South Dakota law, or can a foreign company establish a branch in South Dakota by applying South Dakota trust law.

In response to Member Beall, Chairman Entringer indicated this is the first interstate branch application by a state-chartered trust company. Chairman Entringer explained North Dakota law was changed two sessions ago to allow for reciprocity.

In response to questions by the Board, Ms. Steffes indicated Thoreson is still working with attorneys to determine if the proposed interstate branch would operate under South Dakota law. Ms. Steffes continued the goal is to take advantage of South Dakota law; however, Thoreson does not want to change its principal place of business to South Dakota.

Chairman Entringer indicated the Department recommends approval of the application by Thoreson Steffes Trust Company to establish an interstate branch at

101 S. Reid St., Ste 307, Sioux Falls, SD, provided any specific State of South Dakota requirements are met.

Chairman Entringer reviewed the proposed Order with Thoreson representatives.

It was moved by Member Stennes, seconded by Member Schmid, and unanimously carried to approve the application by Thoreson Steffes Trust Company, Fargo, to establish an interstate branch at 101 S. Reid St., Ste 307, Sioux Falls, South Dakota.

Ms. Steffes and Mr. Thoreson left the conference call at 9:14 a.m.

ITEMS TO BE NOTED

Chairman Entringer indicated on July 20, 2017, he approved, as Commissioner, the application by The Union Bank, Beulah, to discontinue its facility at 113 Main St, Wing, effective December 1, 2017.

Chairman Entringer indicated on November 20, 2017, he approved, as Commissioner, the application by Bank Forward, Hannaford, to establish a facility at 1202 28th St S, Fargo.

MEETING DATES FOR 2018

Chairman Entringer indicated the proposed meeting dates for 2018 are the second Thursday of every other month: January 11, March 8, May 10, July 12, September 13, and November 8. The State Banking Board concurred with the dates.

BANK BUDGET UPDATE

Chairman Entringer indicated the Board received the September 30, 2017, Organizational Status Report by Summary Account for the bank division.

The Board went into closed session at 9:41 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 9:45 a.m.

APPROVAL OF EXECUTIVE SESSION MINUTES

It was moved by Member Larson, seconded by Member Beall, and unanimously carried, to approve the executive session minutes of the regular meeting held September 14, 2017, as presented.

AARON WEBB, ASSISTANT COMMISSIONER

Chairman Entringer congratulated Assistant Commissioner Webb on his breakthrough award received from Dale Carnegie, stating he joins a select group of award winners demonstrated by preparation, contact and delivery.

STATE BANKING BOARD RESOLUTIONS

Chief Examiner Kruse reviewed State Banking Board Resolutions for Bob Entringer and Tom Metelmann who are retiring as of November 30, 2017, Suzette Richardson who is retiring December 31, 2017, and Jan Murtha who will no longer be Assistant Attorney General for the Department.

It was moved by Member Larson, seconded by Member Stennes, and unanimously carried to approve the above-mentioned Resolutions.

The meeting adjourned at 10:00 a.m.

Lise Kruse for
Robert J. Entringer, Chairman

Aaron Webb, Secretary