

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

November 8, 2018

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. Chair Kruse called the meeting to order at 9:00 a.m., Thursday, November 8, 2018, by conference call.

MEMBERS PRESENT: Lise Kruse, Chair (*Office*)
Linda Beall, Member (*Velva*)
Todd Heilman, Member (*Devils Lake*)
Kim Larson, Member (*Casselton*)
John Schmid, Member (*Carson*)
Tom Stennes, Member (*Harwood*)
Cheryl Thompson, Member (*Fargo*)

MEMBERS ABSENT: None

ALSO PRESENT: Corey Krebs, Secretary (*Watford City*)
Ryan Spah, Chief Examiner – Banks (*Office*)
Heidi LaBree, Administrative Examiner (*Office*)
Anders Odegaard, Assistant Attorney General
(*Office*)
Lorren Henke, Unison Bank, Chairman of the
Board (*Wishek*)

APPROVAL OF MINUTES

Chair Kruse indicated the Board received copies of the minutes of the regular meeting held on September 13, 2018.

Member Stennes made a correction to the spelling of a name.

It was moved by Member Schmid, seconded by Member Heilman, and unanimously carried, to approve the minutes of the regular meeting held September 13, 2018, as corrected.

BANK OF TIOGA, TIOGA – EDUCATIONAL BANK PROGRAM.

Commissioner Kruse indicated Bank of Tioga is asking to do an educational bank program. This is allowed under NDCC 15.1-09-56 where a bank can establish a student financial institution. The bank has asked for a non-objection from the Department as well as asking to invoke parity rules, which means when something is allowed for at a national institution it would be allowed for at a state bank. The statute is specifically for high schools. Therefore, any approval by the State Banking Board cannot overrule the statute and can only approve for Bank of Tioga to operate in high schools only.

It was moved by Member Thompson, seconded by Member Stennes, and carried by a vote of 7-0, to approve the Bank of Tioga to establish an educational bank program for high schools only.

UNISON BANK, JAMESTOWN – ARTICLES OF AMENDMENT.

Commissioner Kruse indicated that Unison Bank has requested to amend the articles of incorporation to reduce the number of board members to not be less than four.

Mr. Henke stated that there has been a vacancy on the board of directors for a few months. They are looking for a qualified director, but it will take time.

It was moved by Member Larson, seconded by Member Beall, and carried by a vote of 7-0, to approve the articles of amendment to reduce the number of board members to be no less than four.

ITEMS TO BE NOTED

Commissioner Kruse gave an overview on approvals that were done by the Commissioner since the last State Banking Board meeting. Bell Bank, Fargo, established three LPOs in New Mexico. American Bank Center, Dickinson, will discontinue its operations at its facility within the Dan's grocery store in Bismarck when they open the facility on Burnt Boat Road. First Western Bank and Trust,

Minot, will move its facility on 3rd Street North, Bismarck to 304 East Front Avenue, Bismarck.

BANK BUDGET UPDATE

Chair Kruse stated the Department is within the budget requirements. The salary line item has excess funds in it due to three retirements at the end of 2017. Money cannot be moved between operating and salary line items. The Department will go to the emergency commission to request moving salary line item funds to the operating funds, which, if approved, can be used to fund our IT upgrades.

2019 MEETING DATES

Chair Kruse stated that the proposed meeting dates are the second Thursday of every other month. There were no objections to that schedule. The meeting dates for 2019 will be January 10, March 14, May 9, July 11, September 12, and November 14.

The Board went into closed session at 9:19 a.m. to review the Supervisory Reports of Examination pursuant to North Dakota Century Code 6-01-07.0, and to discuss any confidential records pursuant to North Dakota Century Code 44-04-19.2, and returned to open session at 10:06 a.m. Those present during the executive session were Chair Kruse, Member Beall, Member Heilman, Member Larson, Member Schmid, Member Stennes, Member Thompson, Corey Krebs, Ryan Spah, Heidi LaBree, and Anders Odegaard.

The meeting adjourned at 10:07 a.m.

Lise Kruse, Chair

Corey Krebs, Secretary