

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

**March 14, 2019**

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 9:04 a.m., Thursday, January 10, 2019, by conference call.

MEMBERS PRESENT: Lise Kruse, Chair *(Office)*  
Linda Beall, Member *(Velva)*  
John Schmid, Member *(Carson)*  
Tom Stennes, Member *(Harwood)*  
Cheryl Thompson, Member *(Fargo)*

MEMBERS ABSENT: Kim Larson, Member  
Todd Heilman, Member

ALSO PRESENT: Corey Krebs, Secretary *(Phone)*  
Ryan Spah, Chief Examiner – Banks *(Office)*  
Lisa Kirschmann, Administrative Assistant *(Office)*  
Anders Odegaard, Assistant Attorney General  
*(Office)*  
Fred Manuel, CPA *(Phone)*  
Scott Coleman, Ballard Spahr *(Phone)*  
Catherine LaGrange, Ballard Spahr *(Phone)*

**APPROVAL OF MINUTES**

Chair Kruse indicated the Board received copies of the minutes of the regular meeting held on January 10, 2019, and the special meeting held on February 8, 2019.

**It was moved by Member Schmid, seconded by Member Beall, and unanimously carried, to approve the minutes of the regular meeting held January 10, 2019, and the special meeting held February 8, 2019.**

## ITEMS FOR APPROVAL

**FIRST FINANCIAL CORPORATION, ARTHUR – RETROACTIVE CHANGE OF CONTROL – (1) KATHERINE B. ITTERMAN; AND (2) FRED J. WILLIAMS, III INDIVIDUALLY AND AS TRUSTEE OF THE FRED J. WILLIAMS, III 2012 GST TRUST; TO CONTROL 25% OR MORE OF THE FIRST FINANCIAL CORPORATION, ARTHUR, WHICH CONTROLS 100% OF BANKNORTH, ARTHUR, NORTH DAKOTA.**

Chief Examiner Spah stated the Department received the retroactive change of control application on January 17, 2019, and deemed it complete on February 4, 2019. Chief Examiner Spah reviewed the memorandum and application requirements.

Mr. Manuel explained additional details pertaining to the application.

**It was moved by Member Stennes, seconded by Member Thompson, and carried by a vote of 5-0, to approve the retroactive change of control by Katherine B. Itterman and Fred J. Williams, III individually and as trustee of the Fred J. Williams, III 2012 GST Trust, to control 25% or more of the First Financial Corporation, Arthur, which controls 100% of BankNorth, Arthur, North Dakota.**

Mr. Manuel left the call.

**BELL BANK, FARGO – APPLICATION TO ESTABLISH A SUBSIDIARY FOR THE PURPOSE OF HOLDING MEMBERSHIP INTERESTS IN AN INSURANCE AGENCY.**

Assistant Commissioner Krebs reviewed the memorandum and stated the Department recommends approving Bell Bank's request to invest into Bell Insurance, LLC as a subsidiary.

Mr. Coleman commented on the effects on Bell Bank and Warner and Company upon the completion of the transaction.

**It was moved by Member Beall, seconded by Member Schmid, and carried by a vote of 5-0, to approve the application by Bell Bank, Fargo, to establish a subsidiary for the purpose of holding membership interests in an insurance agency.**

Mr. Coleman and Ms. LaGrange left the call.

## **BANK ASSESSMENT CALCULATION**

Commissioner Kruse stated that the current assessment calculation has not been changed for some time. The Department will update the calculation to be more fair and more in line with the OCC methodology.

Mr. Odegaard joined the meeting telephonically.

The discussion on the assessment calculation was tabled until the May meeting.

## **ITEMS TO BE NOTED**

Chair Kruse gave an overview on approvals that were done by the Commissioner since the last State Banking Board meeting. Bell Bank, Fargo, relocated an LPO in Rochester, Minnesota. First Interstate Bank and Trust, Watford City, established an interstate branch in Chandler, Arizona. Choice Financial Group, Fargo, established an interstate branch in Moorhead, Minnesota.

**It was moved by Member Thompson, seconded by Member Beall, and carried by a vote of 5-0, to enter the executive session.**

**The Board went into closed session at 9:24 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 10:00 a.m. Those that were present during the executive session were Chair Kruse, Member Beall, Member Schmid, Member Stennes, Member Thompson, Corey Krebs, Ryan Spah, Lisa Kirschmann, and Anders Odegaard.**

## **BANK BUDGET UPDATE**

Chair Kruse gave an update on the budget. The Department is within the budget requirements.

Chair Kruse stated that NDBA, ICBND, and CUAD put an amendment on the Department 2019/2021 appropriation bill to bring it back to 2015 budget levels

but the bill has not yet been approved. The Department bill has been approved and signed by the Governor.

### **DFI AUDIT**

The Auditor's Office has conducted an audit on the DFI. There were no findings or suggestions noted.

### **OTHER BUSINESS**

Chair Kruse stated that the Bank of Hamilton application has been withdrawn.

Chair Kruse has indicated she has been asked to serve on the CSBS Board as a Member-at-Large.

The meeting adjourned at 10:07 a.m.

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Lise Kruse, Chair

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Corey Krebs, Secretary