

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

September 3, 2020

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 July 9, 2020, by conference call.

MEMBERS PRESENT: Lise Kruse, Chair *(Office)*
Linda Beall, Member *(Phone)*
Todd Heilman, Member *(Phone)*
Pete Jahner, Member *(Phone)*
John Schmid, Member *(Phone)*
Tom Stennes, Member *(Phone)*

ALSO PRESENT: Corey Krebs, Secretary *(Office)*
Ryan Spah, Chief Examiner – Banks *(Office)*
Angie Mills Fischer, Review Examiner *(Phone)*
Dean DePountis, Assistant Attorney General *(Phone)*
Megan Sauer, Administrative Examiner *(Phone)*
Jill Schneider, Eide Bailly *(Phone)*
Eric Carlson, Cornerstone Bank *(Phone)*
Steve McLaen, Sargent County Bank *(Phone)*
Bruce Wentz, Stock Growers Bank *(Phone)*
Blair Thoreson, Primacy Strategy Group *(Phone)*

APPROVAL OF MINUTES

Chair Kruse indicated the Board received copies of the minutes of the regular meeting held on July 9, 2020.

It was moved by Member Beall, seconded by Member Schmid, and carried by a vote of 6 to 0 to approve the minutes of the regular meeting held July 9, 2020.

APPLICATION FOR SARGENT COUNTY BANK, FORMAN, ND, TO MERGE WITH STOCK GROWERS BANK, NAPOLEON, ND, UNDER THE CHARTER OF SARGENT COUNTY BANK WITH THE NAME CHANGING TO STOCK GROWERS BANK AT THE TIME OF MERGER.

Chief Examiner Spah reviewed the memorandum. The request was received on May 13, 2020 and the application was deemed complete on June 30, 2020.

There were no questions from the Board.

Chief Examiner Spah stated it is the recommendation of the Department that the merger application be approved, and that the Commissioner be authorized to sign the proposed Order on behalf of the Board.

It was moved by Member Heilman, seconded by Member Jahner, and carried by a vote of 6 to 0 to approve the application for Sargent County Bank, Forman, to merge with Stock Growers Bank, Napoleon, under the charter of Sargent County Bank with the name to change to Stock Growers Bank.

Steve McLaen and Bruce Wentz left the meeting.

APPLICATION FOR RETROACTIVE APPROVAL OF INVESTMENT IN CORNERSTONE INSURANCE AGENCY, INC., A WHOLLY OWNED SUBSIDIARY OF CORNERSTONE BANK, FARGO, ND.

Chair Kruse reviewed the memorandum. The request was received on August 26, 2020. The request is retroactive due to a miscommunication with the Department at the time of establishing the subsidiary.

Blair Thoreson joined the meeting.

There were no questions from the Board.

Chair Kruse stated it is the recommendation of the Department to approve, retroactively, the request to establish Cornerstone Insurance Services, Inc., as a subsidiary.

It was moved by Member Schmid, seconded by Member Beall, and carried by a vote of 6 to 0 to retroactively approve the request for Cornerstone Bank, Fargo, to invest in Cornerstone Insurance Agency, Inc., a wholly owned subsidiary.

Eric Carlson left the meeting.

ITEMS TO BE NOTED

Chair Kruse gave an overview of approvals that were done by the Commissioner since the last State Banking Board meeting. American Bank Center, Dickinson, requested an extension for the relocation of the main office to 220 1st Avenue West, Dickinson, ND. KodaBank, Drayton, established a facility at the intersection of Columbia Road South & 40th Avenue South, Grand Forks. Bell Bank, Fargo, established an interstate facility at 2710 E Camelback Road, Suite 100, Phoenix, AZ and an LPO in Overland Park, KS, as well as relocated the West Fargo facility to 320 32nd Avenue West, West Fargo, ND.

Chair Kruse highlighted portions of the updated Strategic Plan for the Department that was provided to the Board.

There was discussion on whether the administrative rule should be changed to allow for notification rather than an application when establishing Loan Production Offices.

Chair Kruse also discussed the comment period for facility applications and asked if there was value to this step. She also asked for the Board to consider if there are things that can be changed in the law to expedite the process.

BANK BUDGET UPDATE

Assistant Commissioner Krebs went over the Department budget and what was remaining for the biennium. He stated that so far, the Department is tracking well within budget.

Blair Thoreson left the meeting.

It was moved by Member Beall, seconded by Member Stennes, and carried by a vote of 6 to 0 to adjourn to executive session.

The Board went into closed session at 9:42 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 10:05 a.m. Those that were present during the executive session were Chair Kruse, Member Beall, Member Heilman, Member Schmid, Member Stennes, Corey Krebs, Ryan Spah, Angie Mills Fischer, and Megan Sauer.

OTHER ITEMS

Chair Kruse stated the Department is up for accreditation and it will be the first week of October and offsite this year. This will include review of three areas: banks, credit unions, and mortgage.

Chair Kruse also stated the Department is continues to get lobby closure notifications due to COVID and continue to do offsite exams.

The meeting adjourned at 10:07 a.m.



Lise Kruse, Chair



Corey Krebs, Secretary